Assessment of Civil Society Participation in Local Governance and Recommendations for Future Programming

USAID/Mexico

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EXECUTIVE SUMMARY

I.   INTRODUCTION

This assessment, conducted in October 2000, concentrates on the citizen participation aspects of the Mission's Local Governance Program—both in assessing progress to date as well as in developing recommendations for future programming.

Given the scope of work and the limited time, the assessment team relied primarily on interviews with representatives of USAID/Mexico, organizations participating in Local Governance Program activities and knowledgeable Mexicans, and review of documents. Throughout the process the assessment team benefited from discussions with Democracy and Governance Program Officers of USAID/Mexico as well as receiving their verbal and written comments on draft material.

A number of DG program direct grants to Mexican civil society organizations that preceded strategy approval will close out in FY2001, resulting in a small amount of funds available for local government work. Anticipating this development, the DG team called on us to analyze the country and programming contexts, to determine how best to refine or reorient existing activities for enhancing citizen participation in local government, and to improve the strategic fit of these activities under the current USAID/Mexico strategy.

II.   THE MEXICO CONTEXT

A.   Overview

Two major, related themes run through the Mexican experience with decentralization and now strongly shape the institutional reality seen today. First, pressure for change has come from below through opposition victories at the state and local levels. Second, opposition party control repeatedly demonstrated at the state and local levels the potential impact of party alternation and improved governance.

B.   Reform Issues

The agenda for reform of Mexico's federal system has been developing for over a decade now. Article 115, which prohibits the reelection of any elected officials of the municipality, removes the elected official's incentive to perform well, produces heavy administrative (and costly) turnover every three years, makes institutional continuity difficult, and promotes very short-term development perspectives, among other problems. The length of the term of office for local officials--3 years--is also an issue. Municipal associations do not have legal standing as advocates of municipal governments.

Mexican municipal governments are highly dependent on federal transfers for their financial resources. Private sector municipal credit development is needed, particularly in cities with strong financial and technical capacity. .Municipal autonomy is already considerably limited by the demands made by state law and regulations. Improved transparency is also viewed as critical to the reduction of corruption. Administrative turnover is also a result of the absence of federal and state laws establishing a municipal career civil service or certification standards for municipal officials.

The story of decentralization and opposition party gains at the subnational level is incomplete without a review of the central role of civil society organizations--non-governmental organizations (NGOs) in particular--and citizen participation generally.

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The assessment team identified the following three general approaches to citizen participation in Mexico. The first approach, adopted by the International City/County Management Association (ICMA) involves encouraging members of the community with expertise in specific sectors, particularly in the area of public service provision, to advise and otherwise support the local administration. The second approach, as exemplified by the Movimiento Ciudadano por la Democracia (MCD) is focused on educating and providing incentive for citizens to recognize and take advantage of their right to be heard in local affairs. Citizens work closely with, demand from, or, if necessary, confront local officials so that they listen to and meet their concerns. A third approach, generally referred to as participatory planning, attempts to involve the entire community in the prioritization of local government investments, in collaboration with local officials. This approach is the most desirable in promoting democratic local governance.

C.   The Fox Transition

As the assessment team completed its work roughly one month before Vicente Fox assumed the presidency, it remained unclear what specific steps would be take in the area of decentralization and the development of strengthened local government. Fox and his transition team--principally the federalism working group charged with decentralization and municipal policy making and program design during the transition period--were committed to taking important steps forward early in his administration. It appeared that Fox's overall approach may be gradual.

D.   The Role of International Donors

A variety of donors are sponsoring important programs and activities in Mexico's local governance sector; the degree to which they are involved in supporting citizen participation in municipal government, however, appears fairly limited. USAID appears to hold a comparative advantage in the area of citizen participation and local government. Synergies between USAID/Mexico's municipal governance and environment and energy activities have been identified and joint activities are being implemented.

III.   DEMOCRACY AND GOVERNANCE PROGRAMMING CONTEXT

A.   USAID/Mexico DG Program

USAID/Mexico's DG program began in a challenging Mexican political environment just three years ago. Some Mexican governmental and non-governmental institutions, viewed U.S. assistance in the governance area with suspicion; Mexican sensitivities to even perceived foreign involvement in domestic political matters could not be taken lightly.

The current program responds to Strategic Objective #3: More democratic processes adopted in key government institutions. The SO includes three Intermediate Results, which seek to 1) increase municipal capacity and citizen input in selected local governments; 2) develop a more independent and responsive Congress; and 3) advance judicial reform in federal and selected state courts.

As part of the overall USAID/Mexico development assistance program, DG activities help address problems and opportunities in the U.S.-Mexico relationship--particularly our interdependence in trade and investment, law enforcement, health and environment, and domestic issues such as migration -- that are central to the U.S. national interests.

The five-year DG strategy that began in FY99 attends to many of the issues raised in the 1996 and 1997 program assessments. The promotion of citizen participation in all DG areas, local government included, receives emphasis.

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It also is important to note that, unlike most countries in which USAID operates, Mexico has the financial and technical resources to sustain reform efforts beyond implementation. This calls for a selective approach to DG work, in which USAID programming responds to specific requests by Mexican governmental and non-governmental institutions.

In a major break with the past, the Fox transition team recently requested USAID assistance in their efforts to reform state and local government, including the issues of transparency and accountability and participatory planning.

IV.   CURRENT USAID LOCAL GOVERNANCE PROGRAM

A.   Introduction

To implement its local governance strategy, the Mission chose to enter into a Cooperative Agreement (CA) with ICMA. A pre-strategy grant to the Movimiento Ciudadano por la Democracia (MCD) focused a portion of its activities on citizen participation in local government. The Local Governance Program may be described as encompassing elements typical of projects, programs, and policy reform implementation.

B.   USAID/ICMA Cooperative Agreement

Citizen participation has been addressed by ICMA in the process of carrying out activities in the following five areas: Resource Cities Program (RCP); Municipal Management Exchange Program; Municipal Association Strengthening; Innovative Practices and Municipal Information Dissemination; and Support for the Policy Reform Agenda. At the outset of the ICMA Cooperative Agreement, the State of Jalisco was chosen at the first state for implementation. Six municipalities within Jalisco were chosen using factors such as willingness to implement change, willingness to share the experiences for replication purposes, diversity of political parties controlling the local government, and geographic distances from the ICMA home office to facilitate frequent contact. The ICMA CA was recently extended to include a continuation and a consolidation of the RCP as well as some changes in other CA elements.

ICMA has encouraged municipal governments to be more transparent in policy making and operations and to promote citizen participation in municipal activities. That is, it has, especially in the RCP, endeavored to show municipal officials that involvement of citizens can contribute to better provision of municipal services and, ultimately, build citizen support for municipal government. The ICMA program also encouraged the institutionalization of change in policies, procedures and management systems through municipal regulations and ordinances. The RCP made significant progress in enabling selected municipalities in the State of Jalisco to adapt practical U.S. local government management practices to their realities. Citizen participation in the RCP has been limited and difficult to achieve, principally because it was not a significant component of the original award. And many municipal officials simply don't buy the idea of significant citizen participation. ICMA's own 2001 results evaluation will be a key test of success, revealing the extent to which the technical and citizen participation improvements facilitated by ICMA carry over into the new municipal administrations elected in Jalisco on November 12, 2000.

C.   USAID/Mexico Grant to Movimiento Ciudadano por la Democracia (MCD)

USAID/Mexico awarded a grant to MCD (Citizen's Movement for Democracy) in July 1998, to run through January 2001, to provide institutional support for the organization's programs promoting citizen participation and a citizen-generated democratic culture. This grant was made to build on MCD's prior elections work, and meet USAID's pre-strategy civil society goals. Given the Strategy's focus on citizen participation as a component of each of the three IR areas, and not as a result in itself, USAID/Mexico's

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DG Officers used the results framework design process to steer a portion of MCD's activities toward local governance during the course of the grant, although other MCD activities also continued to be supported.

The first year of the activity (1999) was dedicated to the design and development of strategies and identification of mechanisms for citizen participation, while implementation of the strategies was planned to occur in the second year (2000). Data for 1999 (the latest indicator data available, since the 2000 data will be submitted to the Mission in January 2001) show that citizen participation strategies meeting the stated criteria were developed for 6 of the 10 municipalities.

MCD and its affiliated organizations are developing capabilities to work on citizen participation in local governance, but the methodologies could become much stronger. The local governance activity has helped to refine the methodologies and approaches used, and some degree of progress has been reported in all but three of the 10 municipalities. Inability to reach or work effectively with municipal authorities has clearly been an issue affecting success, as has incomplete accountability for results.

D. Conclusions on Current USAID/Mexico Citizen Participation in Local Governance Activities

1. Citizen Participation in the ICMA Activity

- The difference in definition of, and of approach to, citizen participation in local governance is notably different between ICMA and MCD. ICMA's support for citizen technical advisory committees is a much narrower form of participation, limited to citizens with a particular technical expertise who provide advice to help municipal officials and staff improve municipal services and functions. MCD defines citizen participation more broadly, emphasizing the role of citizen oversight of elected representatives and municipal officials to ensure that citizens from all sectors of the community have a voice in setting priorities and allocating resources to meet priority needs.

- ICMA attention to and impact on citizen participation has been limited, principally because it is difficult to do in Mexico and because it was not a major focus of the activity design, but also because citizen participation cannot be brought about effectively by working with civil society to such a limited extent. ICMA could in the future, however, do more to encourage municipal government to open the door to citizen participation.

- There are a host of legal, institutional, cultural, and financial obstacles to achieving local participatory democracy in Mexico that have affected implementation by ICMA and MCD. While major obstacles remain, the political context has shifted markedly in ways that favor local participatory democracy.

2. Citizen Participation in the MCD Activity

- MCD has made progress in raising citizen awareness and interest in substantive participation in local governance in the targeted municipalities.

- Impact has been limited by lack of receptivity by officials in some municipalities and the inability of MCD and its partner organizations to be effective in influencing these resistant municipal officials.

- MCD and some of its affiliated local organizations are gaining technical capacity in participatory local governance, but the still-limited methodology; the lack of specifically focused manuals, particularly on participatory local planning; and the limited degree to which municipal officials are integrated into the activity are factors impeding success.

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- Results have also been hampered by lack of specificity and focus on results in the original grant agreement, an issue of which USAID/Mexico is well aware, and which is due to the way in which the local governance program has evolved vis-à-vis the Mexican political context. The fact that the grant to MCD covers institutional support for its whole range of activities means that the local governance activity is just one of many, making it more difficult for USAID to require a focus on performance regarding this component, or to take a results-based approach. As results-based programming and reporting are still new to MCD, technical assistance may be needed to help MCD and its affiliates develop more effective performance monitoring and reporting capabilities.

- The loose affiliate relationship between MCD and the local organizations with which it works is a consequence of MCD's vision of itself as a network of independent organizations, rather than as an implementing or "subcontracting" entity. The resulting lack of specific sub-project agreements between MCD and these organizations has contributed to a lack of accountability for results. Instituting such agreements is now contemplated to promote greater accountability.

- The current MCD award comes to an end in January 2001. Should the Mission decide to continue working with MCD, this close date presents an important opportunity to renegotiate the terms of the award to build in greater specificity and methodological effectiveness.

V. PROGRAMMING OPTIONS

A. Reconceptualization of Citizen Participation in Local Governance

1. Develop an Integrated Participatory Local Governance Model

The integrated approach or model we are proposing as a new initiative incorporates a much more explicit and pervasive focus on participatory local planning, as well as related activities designed to both build on and strengthen the ICMA and MCD activities already being implemented. Through the use of participatory local planning methodologies, a broad array of citizens and local officials will be brought together through an organized process to identify and prioritize needs and problems, assess and allocate the resources available to meet them, and develop appropriate plans for action.

The initial planning process consists of six steps: agreement and preparation; identification of problems; development of solutions; development of an annual investment plan; implementation of the plan; and monitoring and evaluation. Bringing about democratic, participatory local governance and instituting a process of participatory local planning shares many characteristics of a policy reform approach.

In order to build on current activities and strengthen the institutional context for participatory local governance, we propose that this integrated participatory local planning approach be implemented jointly by ICMA and a new citizen participation management entity which will sub-grant to and oversee the activities of Mexican NGOs.

Criteria for selecting municipalities include reasonable prospects of fulfilling the integrated participatory local governance model, diverse characteristics that would illustrate success in a variety of ways, more prospects for replication, and cost effectiveness.

2. Analyze and Document the Experiences

A common framework should be developed for documentation by implementing partners to ensure the greatest degree of comparability possible and to help in drawing lessons from the various experiences and developing one or more models for integrated, participatory local governance. It will also be necessary to

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decide which organization(s) might take on the function of collecting, revising and systematizing the documentation done by the implementing organizations and distributing the materials appropriately, for example, through paper copies, or electronically through one or more websites, targeting municipalities, states, or a national audience. The implementing organizations and USAID/Mexico should consider these issues and a plan should be developed to ensure an effective documentation and distribution process.

3. Replicate the Model Experiences

The first step in replication is the wide distribution of the successful experiences at the local, state, and national levels. It is also important to identify an even wider variety of organizations to receive the products and additional mechanisms within organizations to disseminate them. They would include state and national municipal associations, federal and state offices that support and guide municipalities, universities, and other appropriate organizations.

It is suggested that the existing Pilot States approach of ICMA be continued, strengthened, and extended to include more documentation and replication activities. In the State of Jalisco, it is suggested that the integrated program continue to provide technical assistance to, and utilize, the state office of municipal development, if the new government elected on November 12, 2000, agrees to support it fully and in a non-partisan manner. In Jalisco and in other pilot states the Local Governance Program could utilize State-Civil Society Partnerships, one of the mechanisms USAID has found useful for dealing with organizational complexity in policy reform.

4. Reinforce the Integrated Participatory Local Governance Approach by Supporting Selective National Interventions

As the ICMA activity is already planning to do during the two-year extension period, it is important to share documentation on the experiences developed (incorporating both municipal strengthening and citizen participation) with national institutions, such as the three major municipal associations. If the reconceptualized program must operate under current funding levels, other national activities should be undertaken on a highly selective basis on issues that reinforce the proposed integrated approach.

B. Potential Implementing Institutions and Mechanisms

The preferred alternative for implementing the proposed integrated participatory local governance approach is to set up a neutral grant-management and quality control mechanism to sub-grant to Mexican NGOs to support participatory local planning by promoting informed, responsible citizen participation in the planning process, as well as other aspects of participation in local governance. The use of an overall management entity would facilitate development of the necessary technical capacity when required by NGOs, as well as the incorporation of additional NGOs, without increasing the USAID/Mexico management burden. One possibility would be an agreement or contract with a U.S. organization with expertise in this area. Since Mexico has an extremely well-qualified group of academics and professionals with experience in the area of participatory local governance, we suggest that a select group of these people, who share the basic concept of the integrated approach and focus on participatory local planning we are proposing, be involved in the design process, to ensure that it is as technically strong and as appropriate to the widely varying conditions in Mexico as possible.

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C.   Budget Implications

To pursue the recommended Integrated Local Governance Model it is suggested that the Local Governance Program of USAID-Mexico continue to generate successful practices and to increase the effort devoted to documentation and replication. Such activities help justify the significant costs of generating successful practices in the pilot municipalities and help make USAID/Mexico's overall Local Governance Program cost effective.

The extended USAID/ICMA Cooperative Agreement includes the continuation of the Resource Cities Program, which would generate additional successful practices.

Given that funding in the next two years is not currently anticipated to increase significantly, the emphases on documentation and replication implies that less technical assistance resources would be available on a collective basis for the remaining major elements of the Local Governance Program.

Recognizing the obstacles in the path of impact at the national level, it is suggested that fewer activities and resources be directed at the national level toward strengthening municipal associations. While national activities have their justifications and are all interrelated in the great municipal scheme of things, there is danger of spreading the program too thin. Some resources may be kept available early in the Fox administration, however, in case there is a request for assistance.

In short, it is suggested that the Local Governance Program devote the necessary resources to achieving replication of the Integrated Participatory Local Governance Model and be selective on the other program elements, seeking synergy with the Model where possible. Finally, if additional funding were to become available after 2002, then more impacts at local, state, and national levels could be garnered. More time and resources would create opportunities for linkages among the municipal, state, and national levels. As more substantive and collaborative citizen participation became more common in Mexico, democracy at all levels would benefit.

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I.   INTRODUCTION

A.   Introduction and Scope Of Work

This report was prepared in accordance with the Scope of Work (see Annex 1) set forth by USAID/Mexico. The study was conducted and the report written by Management Systems International (MSI) specialists Dwight Bunce and Patricia Martin. Gary Bland of the Global Bureau of USAID/Washington also participated in the study during the field work period and drafted the Mexico and DG programming context sections.

Pursuant to the Scope of Work, the study concentrates on the citizen participation aspects of the Mission's Local Governance Program—both in assessing progress to date as well as in developing recommendations for future programming. Thus the study does not fully evaluate all aspects of the Local Governance Program; rather it focuses on citizen participation in local governance and identifies programming opportunities for the future in that area.

Timing was critical in two important ways. First, since the 1997 start of the Local Governance Program, there have been major successes as well as problems in achieving Program objectives. It is appropriate to take stock and identify options to strengthen the Program, especially as it relates to citizen participation being promoted by municipal governments, on the one hand, or by individuals and organizations in the local civil society, on the other hand.

Second, the Mexican context has evolved rapidly—the July 2, 2000, election of a non-PRI candidate for the Presidency is one of many important events. Changes affect how citizens and civil society in general would relate to local government—the system is opening. This in turn has given USAID/Mexico more flexibility and opportunities in its programming.

B.   Methodology and Organization of the Report

Given the scope of work and the limited time, the assessment team relied primarily on interviews with representatives of USAID/Mexico, organizations participating in Local Governance Program activities, and knowledgeable Mexicans and on review of documents. Unlike some countries in which USAID works, Mexico is a large, complex country in which much thought has been given to democracy in general and to local government and citizen participation specifically. With the help of the Mission the assessment team was able to meet with many well-informed Mexicans in government, NGOs, universities, and the Fox transition team. Many other contacts were also identified, but time limited the team's possibilities of meeting with them.

The assessment team proceeded as follows:

- An initial team planning meeting was held at MSI in Washington, D.C., to discuss the scope of work and the schedule (October 12, 2000)

- Initial interviews were held in Washington, D.C. with experts on Mexico identified by USAID/Mexico (Oct. 12-13)

- Documents were reviewed (throughout process)

- Initial meeting of assessment team with USAID/Mexico officials (October 16)

- Draft Work Plan for the Assessment submitted to USAID/Mexico (October 17)

- Interviews in Mexico City and in the State of Jalisco, including in the municipalities of Zapotlanejo, Ocotlán, Cuquio, and Guadalajara (October 16 through 27)

- Presentation of Major Conclusions and Programming Options to officials of USAID/Mexico (October 30)

- Submission of Preliminary Draft Report, "Assessment of Civil Society Participation in Local Governance and Recommendations for Future Programming" (November 1)

- Submission of the Draft Final Report (November 22) with Mission comments to follow

- Submission of Final Report (January 2001).

Throughout the process the assessment team benefited from discussions with USAID/Mexico Democracy and Governance Program Officers as well as receiving their verbal and written comments on draft material.

The next chapter discusses the evolving legal and political context in Mexico in which the Local Governance Program operates. Chapter III examines how the Mission's Democracy and Governance Program was initiated and how it has evolved and continues to change. Chapter IV examines the current citizen participation elements of the USAID Local Governance Program, and presents findings and conclusions. After suggesting a reconceptualization of citizen participation in local governance, Chapter V presents Programming Options.

C.   Acknowledgements

We thank the many people who helped in this study and the preparation of the report. (See Annex I.) The frequent communication with the Mission's staff enabled the assessment team to get a faster and deeper understanding of the Local Governance Program and the context in which it functions. Mission administrative support was particularly helpful identifying key Mexican informants and arranging interviews with them. This help made it possible for the team to benefit from an ambitious interview schedule.

ICMA's Washington, D.C., officials and Resident Advisor Octavio Chavez were also of great assistance. Mr. Chavez was generous with his time in discussing ICMA activities as well as in arranging logistical support for field trips in the state of Jalisco. Also generous with their time and insights were Luz Rosales Esteva, Miguel Ortega and other staff members of the *Movimiento Ciudadano por la Democracia,* A.C. (MCD). Finally, as noted above, the report was enriched by the observations of many Mexican *municipalistas* and civil society advocates who have labored for years in the local democracy vineyard.

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II.   THE MEXICO CONTEXT

A.   Overview

One of the Mexican local government specialists interviewed by the assessment team for this report said it best: "The great national political topic is federalism." With the July election to the presidency of the PAN's Vicente Fox--a reformist former governor of Guanajuato--one can expect federalism, decentralization, and the development of subnational government to be a focal point of the Mexican policy dialogue for at least the next *sexenio*. During the campaign, Fox pledged, if elected, to put decentralization at the top of his list of priorities. He is expected to make a strong gesture early in his term to demonstrate his commitment to an effective federal system. A variety of initiatives can be expected in the coming years.

Plans to cede power to subnational government hardly began with Fox. Decentralization reform actually emerged some 17 years earlier under the de la Madrid administration (1982-1988). From the de la Madrid government to the present, however it may have been packaged, decentralization has essentially been the product of politically induced change. De la Madrid and the subsequent president, Carlos Salinas de Gortari (1988-1994), attempted to centralize by decentralizing. As the extreme centralization of government authority eroded the legitimacy of the PRI regime, reform was seen by PRI leaders a way to preserve political power by giving some of it away. By the time Ernesto Zedillo reached the presidency (1994-2000), decentralization had become a means of political survival. With Fox's victory and push for further reform, it now appears that the PRI governments did not keep pace--at least with regard to subnational politics--with the rapidly changing dynamics of the country.[1]

Two major, related themes run through the Mexican experience with decentralization and now strongly shape the institutional reality seen today. First, pressure for change has come from below through opposition victories at the state and local levels to the PRI's disadvantage. Opposition victories have acted as a wedge pushing open the door to competitive politics and pluralistic representation at the subnational level, and it eventually helped lead to the PRI's loss of the presidency. Opposition governments (i.e., the states) have decentralized further, and their successes have pushed the national government to cede further control to the periphery. Second, opposition party control repeatedly demonstrated at the state and local levels the potential impact of improved government. By better addressing the needs of the localities they represented—as opposed to relying on traditional patronage and clientelism—parties in opposition to the PRI have won, built their bases of support, and been reelected in many state and municipal contests. They have shown that governments that deliver improved public services or more effectively resolve community problems can win office. Given the political incentives at work, decentralization has become a vehicle for improving administrative performance. As the PRI came to understand the value of performance—the new reality the party was facing—their candidates began to take back some local governments and even one state that it had lost previously to the then-opposition.

1.   The Path of Decentralization

"To decentralize is to democratize," de la Madrid pronounced throughout his 1982 campaign. His National Development Plan included a comprehensive plan for decentralization, including stronger federalism, the promotion of regional development, and the reinvigoration of municipal governance. De la Madrid was confronting the economic crisis of 1982 and, simultaneously, the first emergence of opposition party victories in municipal elections. The president recognized those wins as legitimate, signifying his new, more open approach. Nonetheless, the political system had deteriorated significantly

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[1] Victoria E. Rodríguez, Decentralization in Mexico: From Reforma Municipal to Solidaridad to Nuevo Federalismo (Boulder: Westview Press, 1997), 61.

as public disillusionment with the PRI hegemony and fraudulent elections mounted. Divisions within the party reached new levels.[2]

By 1984, reform of article 115 of the Mexican constitution, which regulates the operation of municipalities, was in place. This reform was a landmark achievement for municipal autonomy, despite the continuing weakness of local government. It granted property tax authority to local officials, for example, defined more clearly the responsibilities of municipal government and increased municipal independence in financial management. By 1985, the federal government had announced the transfer of various programs to the state level. By the end of de la Madrid's term, important progress had been made in education and health decentralization. The national planning process the president created emphasized investment planning at all levels, and produced the emergence of state development planning committees (COPLADEs).[3]

The Salinas government largely continued on the path created by de la Madrid. During his campaign, Salinas also equated decentralization and democracy. Once in office, he added a new twist to decentralization—the creation of the Solidarity Program. Solidarity was a targeted social spending program aimed at improving the living conditions of the poor, generating regional development, and strengthening local participation in development. Operated out of the president's office, the program was hardly a paradigm of decentralized decision-making, and it is seen by many as a recentralization of central control and a program that reinforced traditional clientelistic practices. Some do argue, however, that Solidarity promoted state and local control over public investment, improved subnational government capacity, and allowed for increased citizen participation.

The tightly contested 1988 presidential election, which many believe was stolen from the PRD candidate, was a watershed event marking the emergence of multi-party electoral competition in Mexico. Afterwards, opposition victories in successive subnational elections began to multiply as PAN, PRD, and other candidates were often viewed as better able to effectively manage government and better address public concerns. The PAN was the first opposition party to win a governorship in 1989. Within a decade, the opposition would control 11 governorships, the Federal District, and 42.6 percent of the country's municipalities, including many of the largest cities. All sides, but especially the PRI, realized that recognition of opposition victories would not lead to crisis in the political system and could even increase the legitimacy of the national executive branch.[4]

Taking office in 1994 at the time of deep economic and political crisis, Ernesto Zedillo introduced Mexico to "New Federalism" and moved to transfer additional authority to the state and local levels. The new president faced the aftermath of the Colosio assassination, economic collapse following the peso devaluation, the Chiapas rebellion, and, consequently, severe legitimacy problems for the ruling party and government. Zedillo also encountered unprecedented pressure to reduce the strong centralization of the Mexican state. He was essentially left with little alternative.[5]

Under New Federalism, strengthening the federalist system was part of a larger design for national and subnational institutional reform. States, for their part, were to take greater responsibility for decentralization to the municipal level. A "Federal Pact" between the states and federal government would seek to treat municipalities as a kind of subgovernment of the state, which did not necessarily bode

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[2] Rodríguez, 47.

[3] Rodríguez, 69-76.

[4] Víctor Alejandro Espinoza Valle, Participación y Alternancia Política en México, paper prepared for the March 16-18, 2000 meeting of the Latin American Studies Association, 1, 11.

[5] Rodríguez, Decentralization in Mexico, 83.

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well for municipal independence of action. A new line item in the budget—Ramo 33—was developed to replace the Solidarity Programs of Ramo 26. This provision would provide municipal officials, albeit with the states acting as intermediaries, with a more direct source of federal revenue-sharing to use for investments in public works. Ramo 33 would also serve to strengthen the Federal Pact and give both states and municipalities greater control over the use of their budgets. These transfers have increased by some 10 percent since their inception in 1998. By the end of Zedillo's term, another reform of article 115 further enhanced municipal authority by more clearly delineating local responsibilities, although it fell short of the level of autonomy many reform advocates would prefer.

As the Fox era approaches, decentralization in Mexico has come a long way. Fox promises to do much more, expectations are high, and there will be considerable pressure on his government to act from the now-opposition PRI party in the various states and municipalities in which it retains control. Moreover, the Mexican system remains highly centralized, channels for citizen participation are limited, and municipalities in particular are the weakest of the three levels of government. Municipal autonomy vis-à-vis the states and the capacity of local officials to manage resources and public service responsibilities are likely to be points of tension as Mexican federalism continues to emerge.

2. Mexico's NGOs and Citizen Participation

The story of decentralization and opposition party gains at the subnational level is incomplete without a review of the central role of civil society organizations--non-governmental organizations (NGOs) in particular--and citizen participation generally.

Historically, Mexico has experienced a wide array of popular movements for democracy, and the most recent wave is traceable to the 1960s. The 1960s were marked by failed efforts to democratize and the violent repression of the 1968 student movement. The 1970s were characterized by demands for social and economic rights, while the 1980s brought ever-increasing calls for political democracy. By the 1980s, moreover, much of Mexican society agreed that the country had begun a transition to democracy.[6]

Yet, even well into the 1980s, the Mexican state continued to control the channels to civil society through its traditional, top-down corporatist structures. For decades, most social organizations--trade union, campesino organizations, and business associations in particular--were tightly controlled by the government's monopoly on representation. The government typically responded to movements for social reform and democracy through a mix of repression, concessions, and demands that access to the state required subordination. Nonetheless, the space for political society gradually expanded and new grassroots organizations began to appear. These new organizations diverged into two distinct groups: movements on the political left aimed at socioeconomic advancement and those concerned with political-electoral participation. For the former, the critical concern was to remain independent of the state so as to avoid being co-opted in their efforts to assist the poor. Political parties were seen as corrupt and useless vehicles for change. Mass direct action was the key to progress. For the latter, the objective was to gradually weaken the authoritarian features of the state. They would take advantage of past experience to develop, at each key historical moment, political strategies for developing electoral democracy.

By the late 1980s--following the 1982 economic crisis, the ramifications of the 1985 earthquake, and the highly contested presidential election in 1988--Mexicans in large numbers were rejecting the traditional tutelage of the state. Significantly, the two streams of social movements—community-based organization

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[6] The following historical review of NGOs relies on Luis Hernández and Jonathan Fox, "Mexico's Difficult Democracy: Grassroots Movements, NGOs, and Local Government," in Charles A. Rielly, ed., New Paths to Democratic Development in Latin America: The Rise of NGO-Municipal Collaboration (Bouler: Lynne Rienner Publishers, 1995), 179-201.

for socioeconomic development and groups pressuring politically for government accountability—began to move closely together. New, autonomous social organizations began joining efforts to open political space at the state and local levels. The success of the political opposition subnationally, the PAN party in particular, encouraged leftist social groups to join electoral politics. Increasingly, the NGOs also faced the challenge of moving from confrontational opposition to development of alternative, constructive proposals.

By August 1990, facing government attempts to displace or subordinate them (by proposing a new tax law, for example, that would treat NGOs and cooperatives as though they were large corporations), independent-minded NGOs founded the "Convergence of Civic Organizations for Democracy." The organization grew in size and stature, and by its third meeting electoral democracy--fraud and abstention in particular--reached the top of the agenda. The Convergence would later join human rights NGOs, and NGO networks to civil society continued to broaden. Poll-watching and the legitimization of opposition victories at the state and local levels became their leading activities. Over time, especially as international donors began to overcome their wariness about financing electoral or governance activity in Mexico, independent, pro-democracy NGOs such as MCD and Civic Alliance emerged to have an important impact--through citizen education, training, and fair-election activities. NGO support for newly democratic local governments, however, remained limited during much of the 1990s, although NGOs were increasingly considering new ways to work at the municipal level.

Many Mexican NGOs today, undoubtedly in large part because of the likelihood that subnational government will continue to grow stronger and more influential vis-à-vis the center, are increasingly working on improved local government through the enhancement of citizen participation in local decision-making. These NGOs are increasingly less concerned with citizen education efforts and more interested in improving the technical performance of government through citizen input. This trend appears fairly strong, and it seems to have produced at least three general approaches or conceptions of the role of the citizen in local affairs. To varying degrees, each of these three approaches is founded on the belief that local government officials acting in isolation--that is, operating without community input into decision-making--will produce unresponsive and, therefore, ineffective local administrations.

3.   Three Approaches to Participation

The assessment team identified the following three general approaches to citizen participation in Mexico. Consolidating the approaches--so as to promote broad-based citizen participation around important community issues--will be key to tightening programming in this area.

The first approach, adopted by ICMA, involves encouraging members of the community with expertise in specific sectors, particularly in the area of public service provision, to advise and otherwise support the local administration. Advisory committees comprised of bankers or accountants, for example, are established to help local officials address budget or tax issues. The successful use of such committees provides needed expertise and allows local government to build links with similar specialists in the U.S. This approach, however, is limited in that it entails only the involvement of a small, usually elite, group of citizens in local affairs.

The second approach, as exemplified by MCD, is focused on educating and providing incentive for citizens to recognize and take advantage of their right to be heard in local affairs. Citizens work closely with, demand from, or, if necessary, confront local officials so that they listen to and meet their concerns. The direct democracy provisions of state law or municipal ordinances often figure prominently in this approach. The legal rights to hold referenda, for example, participate in COPLADEMUNs, and ensure open town council meetings serve as vehicles to improved the responsiveness of local officials to the community. This approach can be effective in getting people involved and opening the space for public

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involvement in local government. By tending toward an "us-versus-them" mentality, however, this approach also risks sacrificing the need for citizen-local official coordination on issues of mutual concern.

A third approach, generally referred to as participatory planning, attempts to involve the entire community in the prioritization of local government investments. The municipality is typically divided into territorial entities, perhaps neighborhood committees, each of which is called on to develop its list of project priorities. The lists are reviewed and project prioritized in accordance with the available budget and with the participation of representatives of each submunicipal committee. This approach, perhaps best represented by the Jalisco municipality of Cuquio, entails broad-based community participation in critical investment decisions, provides a sense of civic involvement, and can be equitable. This approach is the most desirable in promoting democratic local governance, although where adequate safeguards are not in place it can be less technically efficient and may be subject to manipulation by local authorities.

This final approach should be emphasized for two additional reasons. First, it is "issue (or policy) centered," which means that it addresses an important issue or policy--i.e., how and where municipal funds are invested--that directly concerns most, if not all, of the municipality's residents. An issue-centered approach is, therefore, more likely to bring about greater participation. Other local issues or policies around which participation can be effectively generated include basic public service improvements, such as water delivery; literacy or public health campaigns; and investment planning. Second, Mexico's municipal investment planning process--the effort to create broadly participatory municipal planning committees (COPLADEMUNs) to decide on the investment of Ramo 33 funds--takes (at least theoretically) this approach (also see below).

B.   Reform Issues

The agenda for reform of Mexico's federal system has been developing for over a decade now. Indeed, a group of Mexican research organizations, supported largely by the Ford Foundation, has taken an exhaustive look at the local government system and recently presented--in a series of pamphlets and on CD Rom--more than 3,000 proposals to improve municipal operations in its entirety, including topics such as service provision, citizen participation, and electoral reform. This immense work is further indication of the prominence of federalism, decentralization, and the development of state and local government in the national policy debate. This section of the report is certainly not aimed at reviewing all of those ideas, but it does present the major reform issues as articulated by Mexican academics and practitioners. These are reforms that are widely viewed as critical and likely to be addressed in some form during the next six years.

Many observers believe that more fundamental reform of article 115 of the Mexican constitution is imperative. Article 115 establishes the framework and authority of subnational government. In Mexico's federal system, it formalizes the "minimum requirements" for municipal independence of action vis-à-vis the states. As noted above, last year's reform of article 115 fell short of the expectations of some reformers.

1.   Political Issues

Article 115 prohibits the reelection of any elected officials of the municipality. This provision removes the elected official's incentive to perform well, produces heavy administrative (and costly) turnover every three years, makes institutional continuity difficult, and promotes very short-term development perspectives, among other problems. Some observers feel states should be allowed to determine the terms for reelection; other feel it should be enunciated in article 115.

The length of the term of office for local officials--3 years--is an issue, since many feel it does not provide sufficient time for officials to learn and carry out their agendas. A term of four years is the most often

cited potential reform. In addition, the direct election of *regidores* (council members) in submunicipal districts is a potential change that appears to be garnering increasing attention in some states. Currently, regidores are elected as part of a party list (or *planilla*). Baja California, for example, is the first state to use single-member submunicipal districts to elect roughly half of their regidores. Direct election will, it is believed, increase the responsiveness of local officials to constituents in their districts.

States and municipal governments are enacting laws (or regulations) that provide new mechanisms for citizen participation. Many of them allow for direct democracy--referenda, plebiscites, citizen advisory councils, citizen legislative initiatives, open council meetings, etc. The continued enactment of such norms by the states and municipalities is often seen as critical to opening the space for citizen-enforced accountability. The extent to which they are used and prove effective is, however, debatable.

Opening the space for greater political pluralism at the municipal level can also be significantly accomplished through a reform that allows local political parties, civic movements, or individual citizens to present candidates for municipal office. Current law allows for the creation of only national and regional parties. This reform, given the vested interest of the three major national parties, is unlikely to move forward.

Municipal associations do not have legal standing as advocates of municipal governments. The three existing associations are quite active, but legally are treated as civil associations and represent municipal presidents, not the governments as such. According legal standing to associations of municipalities would significantly increase their influence, and would significantly help strengthening these organizations, yet the possibility for such a change does not appear to be strong.

2.   Financial Issues

Mexican municipal governments are highly dependent on federal transfers for their financial resources. All transfers pass through the states, which determine the specific formulas, procedures, and timing of distribution to the municipalities. In many states, this process is hardly transparent and is often politicized. Municipal officials often do not know when or how much they will receive; they just wait for a check to arrive. Reformers call for simple, explicit rules, increased transparency (routinely making public the amounts and timing of distribution, for example), and regular distribution of such funds to improve planning and operations.

Allowing municipal governments greater tax authority is viewed as an important way for them to reduce their dependence on transfers. Municipal officials currently hold the power to administer the property tax, but success is limited because collection requires--in addition to the political will--a considerable measure of financial management capacity that many local governments do not have.

Mexico's experience with transfers has given rise to additional calls for reform. By 1994, as new federal transfers were provided, municipal governments have been collecting relatively less revenue of their own. The disincentive associated with transfers is seen as an important area for correction; otherwise, municipal dependency on the federal and states levels will only increase.

Municipal autonomy is already considerably limited by the demands made by state law and regulations. State legislatures must approve annual municipal budgets, for example, and municipal officials cannot fix rates or fees without state approval. State controllers are political appointees, so their audits of municipal administration are often politicized. Changes in these areas--i.e., the use of independent auditors--is seen as critical to municipal progress.

Improved transparency is also viewed as critical to, among other concerns, reduce corruption. Specific reforms range from requirements on making budgets public and promoting open council meetings to implementing participatory budgeting and encouraging the use of ethics codes.

Finally, in Mexico there is increasing interest in municipal credit development, particularly in cities with strong financial and technical capacity. The extent to which this occurs, especially in small communities, remains to be seen because the private sector has been reluctant to move in this direction. Municipal governments cannot incur debt in a foreign currency--and this is a necessary reform--but they can apply for credit (and eventually emit bonds) if a credit agency finds they are financially qualified. Credit rating agencies such as Moody's and Standard & Poors have issued ratings for a number of states and municipalities in Mexico. This demonstrates a weakening of federal control over municipal finances and promises to encourage local officials to become more responsible in the administration of their finances.

3. Administrative Issues

Administrative turnover is also a result of the absence of federal and state laws establishing a municipal career civil service. Such a law could provide much needed job security for professionals and other personnel, help eliminate the practice of giving jobs only to party loyalists, and give municipal administration greater continuity. The prospects for such a reform are unclear, but probably weak given the influence of clientelistic national parties at the local level.

Municipal governments are accorded significant administrative functions under article 115. Yet other, seemingly contradictory laws are such that it is often unclear which level of government is responsible for a particular function. Given Mexico's highly centralized tradition, and the weakness of local government, the state government continues to operate in areas that should rightly be municipal. Clear lines of authority need to be established.

Training is, of course, a key issue in improving municipal technical and administrative capacity to deliver public services and otherwise more effectively operate the government. The ability of the state and federal governments to carry out effective training programs in various areas--assuming that the continuity of municipal personnel improves--is a major consideration of reformers. Certification programs or minimum performance standards for filling some municipal positions are under consideration.

C. The Fox Transition

As the assessment team completed its work roughly one month before Vicente Fox assumed the presidency, it remained unclear what specific steps would be taken—and when--in the area of decentralization and the development of local government. What did seem clear was that Fox and his transition team--principally the federalism working group charged with decentralization and municipal policy making and program design during the transition period--were committed to taking important steps forward early in his administration.

It appears that Fox's overall approach will be gradual. Fox and his team seemed to realize--in part because of their Guanajuato experiences--that institutional change occurs slowly and that pushing the process could produce severe tensions. The Fox transition team's federalism group spoke in terms of "years" and "phases" of a 25-year development strategy as opposed to calling for everything at once. Moreover, Fox's PAN government will face opposition from the PRI governments at the state and local levels that will complicate the already complex politics of decentralization and municipal government strengthening.

A second critical development was that the Fox transition team's federalism group asked the USAID mission's DG team for technical assistance during the transition period, a major development when one considers the near-hostility with which governance-related aid was viewed by the federal government in

the very recent past. There is thus an important potential for the mission to develop a long-term, fundamental relationship with the Fox government in this sector, be it through the proposed Office of Federalism or other agencies.

Our discussions with the transitions team found that municipal development planning committees (COPLADEMUNs), the establishment of which are required by law in every municipality to determine the expenditure of federally transferred Ramo 33 funds for public works, are likely to figure prominently in the Fox administration's reform plans. The Fox team viewed the COPLADEMUN, which is designed to be representative and participatory, as a vehicle to ensure citizen participation in effective investment planning. They would serve as the foundation for a democratic National Planning System (a part of the National Development Plan created by each president for the duration of the term).

Most COPLADEMUNs today are formal structures, typically controlled by the municipal president, operating with little real citizen input. Yet, the Fox team feels they hold considerable potential, despite their current weaknesses, and that some 50-100 good COPLADEMUN experiences that do exist can serve as national models. A first phase of reform would ensure that the COPLADEMUNs are actually created as required by law (specifically, that they are geographically and sectorally representative of the municipality). After three years or so, a second phase would focus how to enhance the quality of their work and ensure that they effectively represent the interests of the community as a whole. Compliance with the law on COPLADEMUNs would be a major objective.

Citizen participation in more open, transparent, and effective local government is a priority of the Fox government. Citizen participation--motivating people to join in the decision-making process--is one of six focus areas determined by the head of the transition team for federalism policy and program design. Citizen participation, moreover, is viewed by the transition team as a key ingredient of improved local accountability--of a Fox administration's future efforts to fight corruption. Public information campaigns and the need to provide transparency in government decision-making also received emphasis.

Training would be an important part of the new administration's subnational government development program as well. The Fox team saw training as a major priority to improve the COPLADEMUNs as well as other facets of municipal governance.

The USAID mission is well-positioned to develop further its excellent relations with the Association of Municipalities of Mexico (AMMAC), the most institutionally advanced of three municipal associations. Mexico's three associations are traditionally aligned to the three major political parties. AMMAC is associated with the PAN, but is attempting to become less partisan and to broaden the political composition of its membership. President-elect Fox has met with AMMAC, although he is sensitive to the need to work with the other associations. AMMAC, as associate of ICMA, is also advising the Fox transition team.

Increasing municipal autonomy and more effective fiscal federalism also appear to be top priorities of the Fox team. Fox has publicly stated that he will propose the elimination of the prohibition on reelection of municipal officials. During the campaign, he supported a doubling of resources for subnational governments, and his transition team noted that they are ultimately seeking an increase in such resources in the amount of 2 percent of the GNP. Yet, Fox has also made clear that he will support provision of additional resources to local governments only when they have been shown to meet budget commitments and optimize the collection of their own revenue sources. The chief of the federalism team also mentioned that local governments must also prove their commitments to citizen participation in order to benefit from increased autonomy.

Federalism in Mexico, in the view of the transition team at least, must be revitalized and must build on the work of an active group of reformers (or "municipalistas") who have well articulated the reform

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agenda over the past decade. Municipal autonomy needs to be secured, and mechanisms for improved intergovernmental cooperation--especially between states and municipalities--will be instituted.

D.   The Role of International Donors

A variety of donors are sponsoring important programs and activities in Mexico's local governance sector. The degree to which they are involved in supporting citizen participation in municipal government, however, appears fairly limited. This finding is perhaps not surprising since municipal government has traditionally been so weak and virtually impenetrable for the average Mexican. Today, however, a wide variety of new or previously unused mechanisms for citizen participation is emerging. Some governments are promoting them, and citizens are working to take advantage of the opportunities. Mexican civil society organizations previously dedicated to civic education are moving toward work that promotes more direct and substantive participation in government. In particular, it appears there are increasing opportunities to support citizen participation in strategic municipal planning as groups move away from opposition politics and work toward improving municipal administration with the help of the public.

The World Bank is supporting fiscal adjustment in the state of Mexico and also developing a new urban strategy for the Bank's work in Mexico. These projects do not involve the promotion of citizen participation.

A new World Bank project, however, does include citizen input in the selection and execution of development projects (infrastructure, urban services, housing, economic and social development, etc.) for the DF. Business groups, NGOs, and neighborhood organizations are expected to prepare partial plans for urban development, form work teams, discuss the proposals, and prioritize them given the existing budget. This is viewed as important in generating confidence in the government and securing support.

The IDB was involved in supporting a Solidarity-like fund aimed at generating a local role in selecting projects. This fund is no longer operating because of changes in the law that gave rise to Ramo 33. The Bank is also supporting state and municipal credit through BANOBRAS, which has yet to move forward significantly.

Most important, three international donors support Mexican NGOs or consultants involved in the promotion of strategic participatory planning at the municipal level: The Ford Foundation; the Dutch NOVIB; and Misereor, a private German organization. The Ford Foundation is the most prominent, and appears to be actively seeking out additional NGOs or consultants who work in this area. Ford is currently supporting IDEAR, a new for-profit municipal services institution located in the state of Querétaro (with whom the assessment team was unable to meet) and whose work with municipal finance officers warrants further consideration, FUNDAR and CESEM. NOVIB, which does not have an office in the DF and is relatively new to Mexico, is assisting Equipo Pueblo and Espiral. Espiral has a methodology for citizen participation in local government and has been supported by the Ford Foundation in the past. Misereor has long been aiding the development of COPEVI. Along these lines, as discussed below, USAID has to a very limited degree supported ACCEDDE in Guadalajara and CESEM via subcontracts from ICMA. Both institutions have made important progress in promoting and implementing methodologies for citizen participation and disseminating best practices. The Ebert Foundation was supporting the activities of groups such as CESEM. Ebert, however, has suddenly changed policies and terminated such support, for reasons that are not clear.

The French Development Agency, it should be noted, provides support to AALMAC, the pro-PRD municipal association. The Konrad Adenauer Foundation has supported AMMAC in the past. With the exception of USAID, we found no other donor agency currently providing support to municipal associations, which leaves the mission's DG program in a unique position.

USAID holds a comparative advantage because it is the only donor working simultaneously to support four key areas of municipal development. USAID is working closely with particular municipal governments; promoting participatory processes at the municipal level; working to strengthen municipal associations; and, most recently, supporting the federal government's initiative in federalism, decentralization, and municipal development. No other donor can lay claim to the synergies that work in all of these areas.

III.   DEMOCRACY AND GOVERNANCE PROGRAMMING CONTEXT

A.   USAID/Mexico DG Program

USAID/Mexico's DG program began in a challenging political environment just three years ago. Many Mexican governmental and non-governmental institutions viewed U.S. government assistance in the democracy and governance area with suspicion. Following two USAID assessments, local government and citizen participation assistance activities would form part of the three major elements of the new DG strategy. The DG team made important progress in the two areas, developed an important comparative advantage relative to other donors, developed close relationships with Mexican experts and institutions working in the local governance and citizen participation sectors, and significantly allayed Mexican concerns about U.S. involvement in governance work. As a result, today the DG team is well positioned to continue to successfully promote effective municipal governance and development and municipal citizen participation in what is a dramatically changed and much more favorable host country context.

Responding to Mexico's gradual, yet clear move away from decades of one-party rule, politicized institutions, and highly centralized government, a 1996 USAID assessment team suggested that the mission work in the areas of rule of law, elections, local government, and the national congress. The continuing reform of local government and the federal system as a whole made programming aimed at improving the municipal system, in particular, an obvious choice. A subsequent USAID assessment, conducted in 1997, similarly called for programming to help strengthen the rule of law and promote decentralization and improved local government.

The first-ever DG funding was expended at the beginning of 1997. The Special Objective for democracy and governance expired in FY98 and was replaced by a DG strategy for FY99-FY03, as part of the country strategy for the same period. The current program responds to Strategic Objective #3: More democratic processes adopted in key government institutions. The SO includes three Intermediate Results, which seek to increase municipal capacity and citizen input in selected local governments (IR 3.1); develop a more independent and responsive Congress (IR 3.2); and advance judicial reform in federal and selected state courts (IR3.3). One-time election funds for the July 2, 2000 presidential race included support for an ongoing activity aimed at improving state and local level electoral justice and reformed state electoral codes. As part of the overall USAID/Mexico development assistance program, DG activities help address problems and opportunities in the U.S.-Mexico relationship--particularly our interdependence in law enforcement, trade and investment, health and environmental issues, migration, and other areas--that are central to the U.S. national interests.

As the 1996 assessment makes clear, however, the decision to work on democracy and governance in Mexico was fraught with political sensitivities. Only a few years earlier such activity was virtually unthinkable. Mexico had long been sensitive to receiving outside advice from any country, much less the United States, and this was a major obstacle to cooperation. This sensitivity was both governmental and non-governmental. Many NGOs and civil society groups were (and to some extent still are) suspicious of USAID support for their efforts, although the presence of USAID's DG Program and ongoing interaction with NGOs has considerably alleviated this concern. This issue affected all early programming considerations, as USAID would seek to find its "niche" given the political limitations it faced. Any assistance would need to be provided in response to Mexican initiatives and supportive of Mexican reform efforts. Ideally, much of the assistance, if not all of it, would be provided through U.S. non-governmental partners.

Hence, while the atmosphere was changing--indeed, many Mexicans were looking for assistance and searching for new models of governance that could be adapted to their country context--activities were to

be relatively small in scope and exploratory in nature. DG activities, moreover, were to receive limited resources.

It is important to note that these new programming opportunities are not only due to the changing political context, but also the efforts and impacts of the mission, the DG Team in particular. The Team's work to build relations with many key funded and unfunded partners enabled many Mexican sectors to change their views of the role of USAID in providing assistance.

1.   Local Governance

With respect to local government programming, the atmosphere was certainly improving--municipal responsibilities had increased and opposition parties were increasingly winning control of state and local governments and growing in strength. Municipal performance became the key to winning local power, and municipal governments were facing pressure to meet the demands. Citizens were eager for change, and public expectations were that opposition would do a better job. For USAID, then, helping municipal officials develop their skills so that they could improve the delivery of public services and otherwise more effectively manage local administrations became a priority concern. Municipal associations--AMMAC in particular, but also AALMAC and FENAMM--and organizations such as ICMA appeared well suited to provide technical assistance in the least political fashion possible. AMMAC, despite limitations as to its northern and urban focus, was and is the strongest municipal association, fully capable of organizing conferences and other training events, disseminating information, advocating for reform at the federal level, etc., in support of municipal development. AMMAC could build more horizontal linkages among municipal institutions, as opposed to the traditional highly vertical, hierarchical relations that have traditionally existed between civil society and the state.

ICMA, a well-respected U.S. organization founded on the values associated with the technically efficient, non-political U.S. city manager system, was awarded a cooperative agreement to provide technical assistance to Mexican municipal government through exchange programs and ongoing on-the-ground technical support. This would allow input from a non-U.S. government entity with the backing of the expertise of ICMA's members. ICMA could provide the models the Mexican institutions appeared to be seeking and also could develop close links with Mexican partners. In addition, a 1997 follow-up DG assessment called for increased focus on fiscal and administrative decentralization, which is also a strength of the ICMA approach.

2.   Citizen Participation

Citizen participation was a consideration during the 1996-1997 assessment process as well. The operations of municipal government especially had long been effectively closed to the public. MCD, one of Mexico's premier, independent organizations for citizen advocacy, has worked in many ways to open government to citizen involvement. Their citizen education programs, fora, citizen missions, and training materials were in many ways--as noted below--ideal for the promotion of public participation at the local level, despite their being initially less focused on the mechanics of local government as such. In 1998, MCD was awarded a grant for global support for its civil society programs. The grant was made in light of a pre-strategy inclusion of a civil society IR and a need to develop relationships with key civil society leaders. Once the strategy was approved, the citizen participation component was fed into the then-current local government IR, in addition to the legislative strengthening and judicial reform IRs. The DG team focused its management of MCD primarily on the local government aspects of the institution's programming, but the activity was not designed as a local government activity.

Under the five-year DG strategy that began in FY99, many of the issues raised in the early assessments continued to merit attention, in some cases increased focus. The promotion of citizen participation in all DG areas, local government included, receives particular emphasis. For programming in all sectors,

Mexican sensitivities to foreign involvement in domestic political matters cannot be taken lightly. It also is important to note that, unlike most countries in which USAID operates, Mexico has the financial and technical resources to sustain reform efforts beyond implementation. This calls for a selective approach to DG work, based on the belief that assistance should follow on specific requests of Mexican governmental or non-governmental institutions. The interest in pro-democratic reform continues to grow, moreover, which is expected to facilitate dissemination and adoption of best practices.

During the past two years of full strategy implementation, both the municipal and national context for reform has, of course, changed radically--the July election of Vicente Fox to the presidency being the most dramatic example of the change. In a major break with the past, the Fox team recently requested USAID assistance in their efforts to reform state and local government. As opposition victories at the state and municipal levels have continued, local elected officials have increasingly come to realize the value of citizen involvement in decision making and are developing new mechanisms for allowing it to emerge. NGOs like MCD and municipal consulting firms, for their part, are emphasizing the development of more technically oriented strategies for citizen input into the definition of local investment priorities.

A number of DG program grants to Mexican civil society organizations that preceded strategy approval will close out in FY2001, resulting in a small amount of funds available for local government work. Anticipating this development, the DG team called on us to analyze the country and programming contexts, to determine how best to refine or reorient existing activities for enhancing citizen participation in local government, and to improve the strategic fit of these activities under the current USAID/Mexico strategy.

IV. CURRENT USAID LOCAL GOVERNANCE PROGRAM

A. Introduction

1. Implementing agreements

To implement its local governance strategy, the Mission chose principally to enter into Cooperative Agreement (CA) with the International City/County Management Association (ICMA). A direct mission grant to the Movimiento Ciudadano por la Democracia (MCD) awarded before the strategy was in place focused a portion of its USAID-supported activities on citizen participation in local governance. The ICMA CA included a small amount of funds for civil society and citizen participation activities as well as funding the strengthening of municipal governments through technical assistance provision. The three-year MCD grant provided global support to MCD's civil society activities, although this grant was not designed as a specific local governance program. The post-strategy design of the results framework and indicators enabled the Democracy and Governance Team to work with MCD to fit the relevant portion of MCD's activities into the local governance results framework.

Since ICMA received much more funding than MCD for specific local governance activities, most of the Mission's program supported municipal strengthening through ICMA. Citizen participation was second in emphasis in the program. Each organization additionally worked at national levels within the scope of its award.

The existing Local Governance Program is the context in which the Mission is supporting citizen participation activities at the local level. As discussed in the next sub-section, the Program may usefully be viewed as a mixture of project, program, and policy reform efforts. The following major section examines activities under the ICMA CA from the citizen participation perspective; it does not present a full evaluation of ICMA's work. Similarly, the next section concentrates on MCD's citizen participation activities. Both the ICMA and MCD sections contain descriptive text and findings. Conclusions are presented at the end of the chapter.

2. Policy Reform, Program, and Project Elements

The Local Governance Program may be fairly described as encompassing elements typical of projects, programs, and policy reform implementation. In recent years USAID has recognized that policy reform, in particular, is different in important ways from traditional projects which use resources to generate outputs (water systems built) to attain well-defined project purposes (potable water available to most residents).[7] With policy reform, desired results are harder to define, no one is in charge, and the challenges can be "daunting"[8] for managers. "Strategic management" is recommended for policy reform implementors "…directing them to look out to the external environment, look in at organizations and structures, and look ahead to melding strategy, structure, and resources over time."[9]

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[7] See, for example, Benjamin L. Crosby, "Technical Note No. 12, Managing Policy Reform: the Implementation Task Framework", IPC Project, n.d., and Center for Democracy and Governance, Global Bureau, USAID/Washington, "Policy Implementation: What USAID Has Learned", March 2000. The first of these documents is Annex III to this report.

[8] Benjamin L. Crosby, "Technical Note No. 12, Managing Policy Reform: the Implementation Task Framework", IPC Project, page 1. (Annex III.)

[9] Center for Democracy and Governance, Global Bureau, USAID/Washington, "Policy Implementation: What USAID Has Learned", March 2000, page 5.

A continuum of task functions for projects, programs, and policy implementation is presented in Table One of Annex III. As one examines the Local Governance Program in Mexico (LPG), it is clear that it is a mixture of elements. For example, as described below, much of ICMA technical assistance to the pilot municipalities fits the project mold. Strengthening the MCD as an implementing organization may be considered a "Program" element. Advocating citizen participation in local civil societies or within municipal associations may be viewed as policy implementation or promotion of policy reform. To complicate matters a bit more, policy reform can occur at local, state, and national levels.

This mixture of elements in the Local Governance Program arose from the dynamic Program history analyzed at the end of the previous Chapter. In the short-run—as the Mission considers ways to strengthen citizen participation in the next two years—recognition of these elements can help the Mission choose appropriate tools for particular tasks. In the longer run, the Mission can consider what mixture or concentration of elements best fits USAID's comparative advantage. The consideration of these elements can also contribute to making realistic judgments about how much impact can be expected, especially in the policy reform area.

B.   USAID/ICMA Cooperative Agreement

1.   Program Description

a.   Overview

The USAID --International City/County Management Association Cooperative Agreement, called the U.S.-Mexico Partnership for Municipal Development (Partnership), was awarded for the period from September 26, 1997 through September 30, 2000; it has recently been extended for another two years. The Partnership's objectives are two-sided:

> "To increase and enhance the participation of citizens in the local democratic processes and to improve the capacity of municipalities to respond to the needs of their constituents."[10]

Estimated USAID contribution through September 30, 2000, was $1,949,407; the obligated total was $1,608,888. With the additional funding of the extended Cooperative Agreement, the new cumulative funding is estimated to be $3,810,940 (FY 1997 through FY 2002).

During implementation of the CA, ICMA has worked with three Mexican partner organizations. As anticipated at the beginning of the CA, ICMA has collaborated with 1) the Centro de Servicios Municipales Heriberto Jara,, A.C. (CESEM), 2) the Asociación Mexicana de Municipios, A.C. (AMMAC), and 3) Acción Ciudadana para la Educación, la Democracia y el Desarrollo, AC (ACCEDDE). Citizen participation has been addressed by ICMA in the process of carrying out its activities in following five program areas:

- Resource Cities Program (RCP)
- Municipal Management Exchange Program (MEP)
- Municipal Association Strengthening
- Innovative Practices and Municipal Information Dissemination
- Support for the Policy Reform Agenda.

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[10] ICMA Cooperative Agreement No. 523-A-00-97-00008-00, Amendment No. 1

As the following sub-sections on these areas make clear, much of ICMA's citizen participation work was in the Resources Cities Program with citizen participation being promoted to varying degrees in the other four areas. The next sub-section describes the recent extension of the USAID-ICMA Cooperative Agreement. These sub-sections which describe ICMA's activities under its CA provide the programmatic context for the last section on the ICMA CA which presents findings concerning ICMA's citizen participation activities.

b. Resource Cities Program

(1) Performance

The agenda of the Resources Cities Program was summarized as follows by ICMA:

> "ICMA, together with cities in Arizona and California, is providing technical assistance to cities in Mexico, focusing on municipal management, municipal finance, and citizen participation. ICMA and U.S. counterparts are also providing assistance in urban service delivery areas such as water, wastewater, and solid waste management as appropriate, as well as addressing pressing municipal concerns such as public security and economic development."[11]

At the outset of the program, the State of Jalisco was chosen as the first state for implementation. In part this choice was based on timing: the elected State Government was about half way into its 6 year period of office and elected municipal officials were just starting their 3 year terms. Six municipalities within Jalisco were chosen using factors such as willingness to make change, willingness to share experiences for replication, travel distance from ICMA's Guadalajara offices to facilitate frequent contact, and diversity of political parties controlling the local government.

The bilateral visits began in the second quarter of 1998. By the end of the September 2000, 65 visits had been made to Mexico from the U.S. and 64 in the other direction. As anticipated and in response to the mayors' requests, technical assistance focused on municipal services (especially water, solid waste, and street lighting), finances, and management.

Using the 14 indicators in the Local Governance Capacity Index developed by ICMA, the baseline status of each of the six municipalities was assessed in 1998. The index focuses on 1) implementation of policies and procedures for both citizen participation and service delivery, and 2) implementation of these policies and procedures for overall effective local governance. This information served as baseline data for the annual performance measurement evaluation that ICMA conducts each year in August; the results to date are summarized in Table 1. The evaluations were conducted in cooperation with municipal employees by a panel of Mexican experts in municipal governance comprised of representatives of the state municipal development office, the academic community, and the three national municipal associations with links to the three major political parties. An ICMA senior advisor (not the Chief of Party) also serves on the evaluation panel.

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[11] ICMA, U.S.-Mexico Partnership for Municipal Development, USAID Quarterly Reports II (January 1, 1998 - March 31, 1998) through XI (April 1 – June 30, 2000)

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**Table 1.   Summary of Evaluation Results of the Six Jalisco Municipalities
1998, 1999, and 2000**

ACTIVITY AREA		1998	1999	2000
EFFECTIVE				
	Incorporation of Citizen Requests	0	10	7
	Public availability of information	3	7	6
	Incorporation of input from Citizen Committees	6	8	10
	Citizen Participation in Budget process	0	3	0
	Operating revenue from own sources	3	9	10
	Inter-municipal cooperation	0	4	6
	Services coverage	7	12	14
	Sub-Total	**19**	**53**	**53**
CAPACITY				
	Financial management policy	2	5	8
	Capital improvement plan	5	6	7
	Collection of taxes and utility fees	4	8	8
	Sub-Total	**11**	**19**	**23**
POLICIES/PROCEDURES				
	Citizen requests for information/action	4	7	4
	Information access	6	3	5
	Citizen Advisory Committees	3	8	8
	Budget Approval Process	0	7	0
	Sub-Total	**13**	**25**	**17**
TOTAL		**43**	**97**	**93**

Source: Program Performance Evaluation, August 2000, Attachment C, ICMA, U.S.-Mexico Partnership for Municipal Development, USAID Quarterly Report XII, July 1 – September 30, 2000. This quarterly report and the attached evaluation became available after the assessment team had completed its fieldwork.

The Resource Cities program resulted in practical improvements in the administration and functioning of local governments in the pilot municipalities in the areas of municipal finance and services, such as water and solid waste collection. These are "project" type activities that lend themselves to "operating tasks" such as Defined Roles and Responsibilities and Plans/Schedules.[12] One element in the implementation successes of the Resource Cities approach was the application of selection criteria for the Jalisco municipalities, including the medium size of the municipalities and the commitment to change by the municipal officials. As anticipated, timing was a favorable factor: the mayors began working with ICMA at the beginning of their administrations. Another contributing factor was the focus on technical issues and the consistent and explicit maintenance of a non-partisan implementation. The inclusion of municipalities governed by all three of the major political parties in Mexico and ICMA's consistent adherence to non-partisanship helped maintain the technical and non-partisan posture of the Resource Cities program.

While most of the ICMA assistance to individual municipalities was directed to those in Jalisco, ICMA has also responded to requests from individual municipalities (for example, Calvillo, Zacatecas, and Chezumal) in a number of states.

(2) Citizen Participation

Citizen participation was a crosscutting issue in the Resource Cities Program. It was one of 12 criteria used in selecting the original six municipalities and Mexican municipal officials were exposed to Arizona practices concerning citizen participation. ICMA encouraged municipal officials to reach out to the community but many were reluctant to do so. Even with the encouragement of ICMA and the technical assistance of ACCEDDE, which was awarded a sub-grant by ICMA to set up citizen technical advisory committees (*Comités Técnicos Consultivos Ciudadanos*), progress appeared to be limited. These committees are composed of local residents with particular technical expertise who advise municipal departments on service delivery improvements. Beginning in May 2000, ACCEDDE held a series of meetings in Zapotlanejo to discuss the design and establishment of advisory committees on potable water and on the treasury. The Water Committee was never established because the mayor did not choose to support it. The Treasury Advisory Committee began monthly meetings; by the end of September 2000 it had met twice. The citizen members were representatives of the business community and banks in particular; some of them were acquaintances of the municipal treasurer. The treasurer said they offered helpful suggestions, especially on cost control. ACCEDDE drafted internal procedures for the Committee but the outlook for the formal adoption of the procedures and the related municipal ordinance ("*reglamento*") was bleak because of expected changes in the Zapotlanejo's municipal council due to the November, 2000 municipal elections.

Even less progress was made by ACCEDDE in Ocotlán. Although presentations were made on how citizen advisory committees could work in the water and treasury departments, the loss by the PRI candidate in the July 2 national election for President weakened interest in such committees by the PRI-controlled Ocotlán municipal council. According to ACCEDDE and ICMA, the mayor and the water director are not interested, although the vice mayor expresses his commitment.

On the other hand, Municipal officials in Ocotlán do receive the views of the Grupo de Treinta, a business oriented citizen group that has promoted economic development in the city for over 10 years. The municipality's new Economic Development Office in particular coordinates with these business leaders, for example, in promoting the city's furniture manufacturers. In fact the establishment of this Office itself

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[12] Table One, Benjamin L. Crosby, "Technical Note No. 12, Managing Policy Reform: the Implementation Task Framework", IPC Project, page 4.

may be viewed as a form of limited institutionalization of the participation of the private sector leaders in municipal affairs. This cooperation with the business community has not led, however, to a general opening up of the municipal government. This in part may reflect doubts that one city official expressed about the ability of the people in general to see beyond their narrow, short-term interest (*cortoplacismo*) to the broader interests of the municipality. Another factor may be that many members of the *Grupo de Treinta* are part of the PRI political base while others (neighborhood leaders, for example) are not. Further experience and analysis in Ocotlán could help identify ways to strengthen the institutionalization of the business community's dialogue with municipal government as well as to promote the participation of other sectors of the civil society.

c. Municipal Management Exchange Program

The Municipal Management Exchange Program (MEP) was described by ICMA as follows:

> "ICMA will facilitate at least 20 exchanges in the first two years between elected officials and appointed administrators in Mexico and city managers in the United States. Mexican participants will be exposed to a wide variety of citizen participation mechanisms operating in the United States and to professional management practices, specific to the role of the professional city manager vis-à-vis the elected mayor and city council."[13]

According to the ICMA Resident Advisor, the 20 exchanges anticipated included 20 trips by Mexican delegations and 20 by U.S. delegations, for a total of 40 trips. Compared to the RCP exchanges, the MEP trips were not designed to be integrated into an on-going program of technical assistance and do not lead as readily to successful Mexican municipal experiences that could be replicated. MEP did, however, give the Local Governance Program important flexibility in a rapidly changing political environment to meet special needs. For example, the MEP is the vehicle which implements an innovative program with joins USAID/Mexico's Democracy and Environment Program Partners to promote policy dialogue and coastal resource conservation in the City of Chetumal, Quintana Roo. Exchanges with municipal water officials from Sarasota, Florida will help Chetumal to improve water and wastewater management with input from local universities and environmentally oriented citizens' organizations.

d. Innovative Practices and Municipal Information Dissemination

This program element was described by ICMA as follows:

> "The Centro de Servicios Muncipalidades, A.C. (CESEM), through a subgrant from ICMA, will work to identify innovative practices into the municipal decision-making process. CESEM will develop case studies and disseminate the findings through their Internet network and through Mexican municipal associations."

CESEM is a nonpartisan, nonprofit municipal support NGO that focuses on technical assistance, training, and information dissemination in areas such as economic development, organizational development, and citizen participation. In August 1998 CESEM presented a first report to ICMA on the systemization of

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[13] ICMA, U.S.-Mexico Partnership for Municipal Development, USAID Quarterly Reports II (January 1, 1998 - March 31, 1998) through XI (April 1 – June 30, 2000)

good practices.[14] The actual municipalities to be included were modified after discussions between ICMA and CESEM that emphasized the need to include examples of citizen involvement in municipal decision-making. The report "Buenas Practicas Municipales" was published in October 2000. The report summarizes the best practices of 25 Mexican municipalities using a standard format and grouping experiences by type of experience, including a category that covered forms of representation, co-responsibility [between the citizens and the municipal government], and citizen participation. The six pilot municipalities were not included because ICMA is separately documenting their best practices.[15]

e. Municipal Association Strengthening

The municipal association strengthening component was described by ICMA as follows:

> ICMA will provide technical assistance and training to strengthen the capacity of state and national municipal associations (1) to serve as an advocate within the political system for increased local autonomy; (2) to promote professionalism in local government; and (3) to help nurture and support the local level municipal management capacity requirement by a democratic system.

Most of the ICMA activities have been with AMMAC, which is the strongest of Mexico's three municipal associations, and which currently has approximately 203 members, of which about two thirds are from PAN controlled municipal governments. AMMAC is also an affiliated organization of ICMA. There were limited activities with AALMAC, the PRD-related association and even more limited activities with FENAMM—the PRI-related association. Notably, representatives from all three national municipal associations participate in ICMA's annual evaluation process in its six pilot Jalisco municipalities, held annually in August 1999 and 2000. Representatives from all three associations have also participated in ICMA annual conferences.

The ICMA Resident Advisor and other ICMA professionals regularly attend and make presentations at conferences and training sessions sponsored by municipal associations on a wide range of topics, many of which directly concern citizen participation. Examples of topics addressed are best practices and lessons learned in the 6 Jalisco municipalities; the role of the city administrator/manager; transparency; performance monitoring; and ethics. For example, the Resident Advisor was invited by AMMAC to give a presentation on Performance Indicators to an August 2000 meeting of municipal Finance Directors. After the historic July 2, 2000, national elections, the Resident Advisor was invited to participate in meetings with AALMAC and AMMAC representatives to discuss the municipal implications of the victory of Vicente Fox. In limited but real ways, the Municipal Association Strengthening component has enabled the Mission's Local Governance Program to contribute to the strengthening of these national associations as well as to enable ICMA to be a participant in the national dialogue concerning municipal development.

f. Support for the Policy Reform Agenda

Support for the policy reform agenda component was described by ICMA as follows:

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[14] ICMA, U.S.-Mexico Partnership for Municipal Development, USAID Quarterly Report IV, July 1, 1998 – September 30, 1998, Annex II, Buenas Prácticas de Gobierno Municipal

[15] A draft of a "Compilation of Experiences to Promote a Good Local Government Report" is an annex to ICMA's Quarterly Report for the quarter ending September 30, 2000.

> "ICMA will support policy reforms through (1) the demonstration effect of local level successes under the Partnership, and (2) the development and strengthening of national and state municipal associations that are primarily charged with serving as advocates and catalysts for municipal autonomy."

The activities under this element primarily consisted of presentations at conferences and participation in meetings where the experiences of the six pilot municipalities, policy issues, and other municipal subjects were considered; some of the issues considered concerned citizen participation. A partial sample of other activities includes meetings to inform Jalisco officials of the implications of the reformed Article 115 of the Mexican Constitution; participation in Guanajuato in a panel discussion of indicators for Mexican municipalities; the Resident Advisor's continued membership and participation in an advisory committee to the State of Jalisco's Center for Municipal Studies; and Partnership's hosting of a luncheon discussion of anti-corruption efforts with three U.S. speakers sponsored by the U.S. Consulate in Guadalajara.[16]

On September 20, 2000, the Transition Team of President Elect Vicente Fox requested assistance from USAID/Mexico. In a rapid response, ICMA offered the services of several senior experts. It is expected that they will be assisting the Transition Team in November. The participation of ICMA, especially of its Resident Advisor, in municipal events over an almost three year period, may have increased ICMA's visibility on the national municipal scene and have contributed to the decision of the Transition Team to request the Mission's assistance.

As in the case of the Municipal Association Strengthening component, this component enables the Partnership to respond to special needs and opportunities in the municipal arena in Mexico.

g.   Extension of USAID-ICMA Cooperative Agreement

The extended Cooperative Agreement negotiated by USAID calls for the continuation of some activities, the phasing out of others, and the incorporation of new efforts; key points include the following:[17]

- The extension calls for a continuation of the Resources Cities Program—a consolidation in the six Jalisco municipalities and an expansion of successful activities and best practices to municipalities in other states in three regions of Mexico.
- The municipal association development is also to continue but with a focus on strengthening both national and state associations and development of inter-municipal councils of government or associations.
- The information dissemination is to continue using municipal associations and universities as a vehicle to publicize best practices. ICMA has identified the Instituto Tecnológico de Estudios Superiores de Monterrey's (ITESM) Virtual University as a partner in information dissemination through distance learning technology.
- New activities or emphases include Ethics and Transparency in Democratic Local Government and Local Government Performance Measurement.
- The Municipal Exchange Program is to be phased out.
- While the Support for the Municipal Reform Agenda component was to be discontinued, potential support to the Fox government as requested and as practicable could support this item.

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[16] To some extent, there is overlap of activities of this component with the previous because both relate to the strengthening of national municipal associations. In its quarterly reports, however, ICMA only presents a given activity under one or the other.

[17] Proposal for Continuation of Program Activities, submitted to USAID/Mexico by ICMA, March 2000

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- Citizen participation at the local level continues to be an important goal of the CA, addressed as a cross-cutting issue on the revised list of CA components.

Although the extension includes some alteration in priorities, there continue to be several program elements in addition to the Resource Cities Program.

2.   Findings

There are a host of legal, institutional, cultural, and financial obstacles to achieving local participatory democracy in Mexico that have affected implementation by ICMA and MCD. While major obstacles remain, the political context has shifted markedly in ways that favor local participatory democracy:

- Federal funds for infrastructure (Ramo 33) are transferred to municipalities with the requirement that citizens be involved in the prioritization of expenditures through the federally mandated COPLADEMUN structure.

- An increasing number of municipalities in the country are using participatory mechanisms for planning and decision-making

- The July 2000 victory of the PAN party's Vicente Fox to the presidency after 71 years of PRI control of presidency opens up the political process.

- Discussions with the members of the Fox Transition Team indicate that the new administration may undertake measures to further decentralize the federal government structure in Mexico, to increase the capacity of municipal officials and to take steps to require further opportunities for citizen participation.

Some successful local experiences have been generated under both the ICMA and MCD activities, but they need to be more fully documented and then replicated. Documentation of successful experiences has been limited. Some potential repositories of documented experiences were identified early in the program (national municipal associations, for example) and more could be added

- ICMA has encouraged municipal governments to be more transparent in policy making and operations and to promote citizen participation in municipal activities. Most promotion of citizen participation occurred within the Resources Cities Program and less within the other program elements. In the recently begun extension period of the ICMA CA, Municipal Association Development, Support for the Municipal Reform Agenda, Information Dissemination, and Ethics and Transparency have the potential to contribute to citizen participation. As discussed in the next chapter, these other elements can also contribute to the dissemination and replication of successful citizen participation practices that emerge from the ICMA and the MCD Cooperative Agreements. The wide range of ICMA activities in the extension, however, may threaten the desired replication of successful experiences.

The Resource Cities Program endeavored to show municipal officials that involvement of citizens can contribute to better provision of municipal services and, ultimately, build citizen support for municipal government. But, as ITESO Professor Miguel Bazdresch observed, many municipal officials simply don't buy the idea *("no han comprado la idea")*.[18] Rather municipal officials sought the counsel of their political parties or of representatives of groups which they chose to contact ("*representantes corporativos*"). This was directed citizen participation (*participación ciudadana dirigida*)—not an open process where any citizen or organization could be heard. Thus it is not surprising that progress on transparency and citizen involvement was limited and mixed in the six pilot municipalities.

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[18] Interview with M. Bazdresch, October 19, 2000

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Recognizing these entrenched attitudes and practices, ICMA encouraged the institutionalization of reforms through municipal regulations and ordinances. Progress was made between August 1998 and August 2000 in the Policies and Procedures for Citizen Participation category of indicators, which includes the following elements: Citizen requests for information/action; Information access; Citizen Advisory Committees; and Budget Approval Process (the last section of Table 1).

The total score for the six municipalities for Policies and Procedures for Citizen Participation almost doubled from 13 to 25 between August of 1998 and August 1999 but fell back to 17 in August 2000 (Table 1). ICMA attributes the decline in August 2000 to the distraction of the election campaigns and the shift in the focus of mayors in their last months toward short-term, visible improvements (such as public works) and away from institutional reforms.[19] Thus in Zapotlanejo a narrowly focused treasury committee advised the municipal treasurer; its prospects for continuation after the December 2000 change in administration are guarded at best. In Ocotlán little progress was made on citizen participation through the Partnership; prospects for the future are not hopeful. On the other hand, the municipality of Ocotlán has a close relationship with the business community that perhaps could lead to more citizen participation in the future.

One citizen participation mechanism that has not been utilized under the ICMA CA in the six pilot municipalities in Jalisco is the COPLADEMUN structure for prioritizing uses of federal grant funds. Interviews and visits to two of the six pilot municipalities in Jalisco indicated that this mechanism is rarely used as intended, and COPLADEMUNs tend to become rubber-stamp entities controlled by the Municipal President. The citizen technical advisory committees that have been promoted in Zapotlanejo and Ocotlán with ICMA and ACCEDDE's assistance have roles which are limited and quite different from the functions contemplated by a properly constituted and functioning COPLADEMUN.

The Resource Cities Program focused on administrative and technical improvements in local government. Citizen participation was present but was secondary in the sense that the Partnership would continue to work with a municipality on its high priorities (finances and water, for example) even if no significant headway was simultaneously being made on transparency and the involvement of citizens. The citizen advisory committees were set up as small groups of experts to provide highly technical advice, not as representative citizen bodies to provide broad input into municipal decisions. Although Mexican municipal officials were exposed to citizen participation mechanisms in the Arizona cities, there was only very modest adaptation or adoption of such mechanisms. Among the limiting factors for citizen participation success in the Resource Cities Program are the following:

- An emphasis on broad citizen participation in planning and decision-making was not built in to the program from the outset; this reflected the pilot nature of U.S. municipal sector assistance, the priority in the design to the Partnership responding to needs identified by the mayors and to the expected political difficulties of embarking on such an effort

- Compared to improved administrative and management practices, substantive citizen participation mechanisms may in general be harder to achieve in Mexico for historical, cultural, and political reasons;

- Mexican officials still fear citizen participation. They may be wary of opening up local government to citizen scrutiny, fearing adverse political consequences for their own administrations.

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[19] Based on interviews during the fieldwork. Also cited in Program Performance Evaluation, August 2000, Attachment C, ICMA, U.S.-Mexico Partnership for Municipal Development, USAID Quarterly Report V, July 1 – September 30, 2000.

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- Substantive citizen participation in government decision-making is still a very new concept. Programming in this area must specifically target activities that will enable local actors to overcome barriers to participation.

In short, the Resource Cities Program made significant progress in enabling selected municipalities in the State of Jalisco to adapt practical U.S. local government experiences to their realities. Citizen participation in the RCP has been limited and more difficult to achieve. This also reflects that, even at the local level, citizen participation is a policy or cultural reform with the need for accomplishing "strategic tasks" such as legitimization and constituency building.[20]

A key test will be the August 2001 evaluation of these municipalities. It will reveal the extent to which the technical and citizen participation improvements carry over to the new local governments elected on November 12, 2000. Barriers to overcome could include a change in political party controlling the municipal government and replacement of existing municipal employees with individuals who are not familiar with the functioning of the municipality, which could happen even when the same party remains in control. In addition to continuing to follow the same methodology to ensure comparability, it is suggested that the August 2001 evaluation examine the degree of continuity of citizen participation mechanisms initiated between 1998 and 2000 as well as the (changing) attitudes toward participation of the citizenry and of municipal elected and appointed officials. Although this analysis may be more qualitative than quantitative, it could contribute lessons learned about citizen participation at the local level.

C.   USAID/Mexico Grant to Movimiento Ciudadano por la Democracia (MCD)

1.   Program Description

USAID/Mexico awarded a grant to MCD (Citizen's Movement for Democracy) in July 1998, to run through January 2001, to provide institutional support for the organization's programs promoting citizen participation and a citizen-generated democratic culture. This grant was made to build on MCD's prior elections work, and meet USAID's pre-strategy civil society goals. For results purposes, USAID/Mexico focused most specifically on MCD's local governance activities during the course of the grant, as noted in section 1.b. below, although other MCD activities also continue to be supported.

Since the current grant will end in January 2001, MCD has submitted a proposal requesting continuation of USAID support. The proposal encompasses future activities under MCD's current "Yo Ciudadano, Yo Gobierno" theme outlined below, with the goal of increased accountability and citizen/government co-responsibility at the municipal level. It also includes civil society strengthening activities encompassing increasing the capabilities of affiliated organizations, as well as continued support for civil action in support of human rights and in cases of disaster. Chapter V, Section B, discusses the local governance component of the MCD proposal as a potential element within the integrated approach to support citizen participation in local governance proposed in Chapter V of this report.

a.   MCD Organization and Programs

MCD is an independent, non-partisan citizen's movement founded in 1991 in San Luis Potosi; it moved to Mexico City in 1992. Its original purpose was to create a pluralistic, autonomous space in the national arena for citizens to organize and promote democratization in Mexico. More recently, MCD has extended

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[20] Table One, Benjamin L. Crosby, "Technical Note No. 12, Managing Policy Reform: the Implementation Task Framework", IPC Project, page 4.

its activities to the state and local arenas. The institution serves as a technical and institutional resource center for a rapidly growing network of affiliated organizations in 28 of Mexico's 31 states and the Federal District—when the grant began, there were 120 affiliated organizations; currently, there are 300. Affiliation is informal, based on mutual interest, attendance at MCD events, or requests by organizations for training, materials or support from MCD, rather than on formal membership or dues. MCD provides information, training, materials, forums and similar events and, in some cases, financial support ("becas") to affiliates. These funds are limited, and are usually used to hire promoters or other staff to work on shared initiatives, to hold events, to produce materials, or to purchase equipment.

As democratization has grown, MCD has developed a phased strategy focused on major themes. Through 1996, the focus was on promoting civic culture, while for 1997 participation and thoughtful voting were added. MCD's overarching theme for the 1998-2000 period covered by the USAID grant has been "Yo, Ciudadano, Yo, Gobierno" (I am a Citizen, I am the Government), emphasizing the creation of constructive relationships between citizens and their government and a new participatory culture. This strategy has been pursued through three major types of activities, which also define MCD's organizational structure: communications and information, citizen education, and local development and citizen action.

- Communications and information activities included providing the public with information on civil society perspectives on civic and political issues, particularly through the mass media; generating informational materials on democracy, citizen participation and rights, to reach a broad audience, particularly those with limited access to traditional media; and conducting research and surveys.

- Citizen education activities provided training and technical assistance on a variety of topics to support responsible citizen participation and influence government decision-making. MCD trains local organizations and provides technical assistance in the design of strategies for citizen action, trains trainers and provides support for replicating programs and workshops at the state and local levels.

- Local development and citizen action activities provided technical, financial, organizational and networking assistance to support the work of affiliated civic groups, as noted above, in addition to support for Citizen Missions to respond to events of particular impact on the citizenry, such as natural disasters.

b. Local Governance Activities

MCD's local governance activities fall mainly under the area of citizen education, and also local development (with reference to training and strengthening the local organizations carrying out the activities).

It must be emphasized that at the time of signing, the grant was not designed specifically to achieve local governance goals. The program description attached to the grant says nothing specifically about citizen participation in local governance as a focus area. It states target levels for numbers of participants in workshops, courses and seminars at the local, state, regional and national levels, but does not indicate the specific content or focus for such citizen education activities. The local governance component built on MCD's ongoing work with its local affiliates to promote local government transparency, and was developed in response to democratic change in Mexico and a rapidly growing interest in participatory local governance generally. Through the design of the results framework and indicators after signing of the award, the USAID/Mexico DG team enabled the activity to achieve much greater levels of focus and specificity than stated in the original program description. The set of performance indicators developed by USAID/Mexico with MCD for Intermediate Result 3.1 provide some of the specificity lacking in the grant document, laying out the basic outline of participatory local governance activities and indicators and targets to measure progress.

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The stated broad goals[21] of MCD's local governance activity are to:

- Promote citizen participation in 10 municipalities throughout the country.

- Identify and make use of mechanisms for citizen participation in these 10 municipalities.

- Promote democratic and proactive citizenship at the municipal level.

- Contribute through citizen engagement to municipal governance.

Briefly, MCD's activities in support of citizen participation in local governance comprise training and supporting local affiliate organizations to work in ten municipalities in eight states[22] 1) to inform and educate citizens on their rights and responsibilities to participate, and on municipal government functions and responsibilities; and 2) to develop and implement strategies for each local affiliate to promote participation in local governance, identifying and making use of existing mechanisms for participation in local governance decisions. Each local organization also receives limited financial support from MCD, usually to pay a promoter or otherwise oversee implementation of the activity.

To be considered complete, the strategies developed by each local organization for their respective municipality must be written; must identify the objective(s) with regard to participation in local governance; must establish a timeframe to accomplish the objective(s); must define a plan to achieve the objective(s) including identifying the participatory mechanisms to be used; must identify the human, material, financial or training resources necessary to implement the strategy; and must be submitted to MCD. Performance indicators track the number of strategies developed which meet these criteria; the number of strategies implemented (defined as accomplishing the objective(s) within the specified timeframe and documenting the participation mechanisms used); the number of mechanisms used (defined as petition, monitoring *cabildo* or municipal council sessions, and use of the COPLADEMUN[23] or similar committees for citizen participation); and the number of workshops on local governance conducted.

2. Findings

a. Overview Regarding Assessment of Progress

The first year of the activity (1999) was dedicated to the design and development of strategies and identification of mechanisms for citizen participation, while implementation of the strategies was planned to occur in the second year (2000). Data for 1999 (the latest indicator data available, since the 2000 data will be submitted to the Mission in January 2001) show that citizen participation strategies meeting the stated criteria were developed for 6 of the 10 municipalities. The targeted number of training workshops planned for 1999 was achieved.

Without visiting more of the local affiliate groups and project sites, it is not possible to fully assess the progress achieved and the degree to which citizens are aware of and are using participatory mechanisms

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[21] *Informe 1999*, January 2000 MCD Annual Report to USAID/Mexico.

[22] The municipalities and states are Eronguaricuaro, Michoacan; Chilapa and Acapulco, Guerrero; Peto and Motul, Yucatan; Valle del Bravo, State of Mexico; Tamazunchale, San Luis Potosi; Pinotepa Nacional, Oaxaca; Huayacocotla, Veracruz; and Cuquio, Jalisco.

[23] The COPLADEMUN (Comite de Planificacion del Desarrollo Municipal, or municipal development planning committee) is a structure mandated by law to provide for citizen participation in determining needs and prioritizing use of federal transfer funds for investment in municipal works and projects (Ramo 33).

to influence local government decisions. Most groups are distant from Mexico City, and time constraints made additional field visits impossible. The findings and conclusions in this document are based on interviews with MCD staff and with staff of two of the ten affiliated local organizations, and on MCD reports. However, the fact that indicator data for 2000 was not yet available at the time the assessment was carried out, and that MCD's quarterly reports were not results focused, make assessment of progress and impact difficult. Reports focus on inputs/outputs, such as numbers of workshops held, rather than on results accomplished, actions to overcome barriers, or analysis of factors contributing to or impeding success. The information available on results is included in section b below.

This reporting weakness may result from 1) the above-noted lack of specificity in the original award, 2) the loose relationship that MCD maintains with its affiliate groups (see section d below), and 3) the fact that results-based reporting is a very new concept for MCD, which has always seen itself as a movement or network of NGOs, rather than a technical project-implementing institution. The fact that MCD's reporting is weak does not necessarily mean that its programs are weak. It is very likely that MCD reports (and possibly those of its affiliates as well) do not adequately reflect the successes or failures of the target groups; however, without additional site visits it is impossible to ascertain the degree to which reporting reflects, or fails to reflect, performance. It should also be kept in mind that the Mexican context has been exceptionally difficult for developing participatory local governance, and thus performance expectations for any institution must be realistic in view of such issues (see section b below, as well as Chapter II).

The only project site visited, the municipality of Cuquio in Jalisco, cannot be claimed as a purely MCD success because the participatory local planning process there has been developed over a nine-year period (community organizing started several years earlier), with the support of several technical assistance organizations, including the Instituto Tecnologico y de Estudios Superiores (ITESO), a Jesuit university in Guadalajara; Campo; Accion Ciudadana para la Educacion, la Democracia y el Desarrollo (ACCEDDE), a Jalisco-based NGO which grew out of ITESO and Campo as a result of the Cuquio experience; and the Centro Operacional de Vivienda y Poblamiento (COPEVI), an NGO based in Mexico City. It should be noted that Cuquio appears to be an unusual, if not unique, case with regard to the intensity and duration of the community organization process which has taken place in the community, combined with favorable political circumstances—three successive municipal administrations willing to engage in an open and very thoroughgoing process of participatory local planning.

While MCD was not involved in initiating or developing the Cuquio experience, MCD is making an important contribution to promote replication of this very interesting model of well organized, representative and equitable participatory planning and local development, carried out in close collaboration with municipal authorities and fully respected by them. Under the grant, MCD has provided limited funds to ACCEDDE, over a one-year period (November 1999 to December 2000) to document and systematize the Cuquio participatory planning experience and its impact on the municipality and its citizens (publication forthcoming).

Like MCD itself, none of the local organizations with which it is working on the participatory local governance activity was originally created as a local governance or municipal-focused institution, including ACCEDDE, which initially worked in rural development, organizing and providing credit to small farmers (*campesinos*). However, many organizations are now moving in this direction as the Mexican political context changes and new needs and opportunities emerge. ACCEDDE is now the strongest and most technically advanced of the organizations working with MCD, with respect to participatory local governance and participatory planning and development. It has shared its experience and methodologies with other organizations through a number of MCD-sponsored events (ACCEDDE's approach and the Cuquio experience are briefly synthesized in Chapter V). In addition to its financial support to document the Cuquio experience, MCD conducted a lobbying workshop for ACCEDDE staff.

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Other groups working on this activity described as relatively capable by MCD staff include the Frente Civico y Familiar in Yucatan (this group is the closest to ACCEDDE with regard to technical capacity; according to MCD staff it works effectively at the municipal level in collaboration with local authorities). The Centro de Estudios Sociales y Ecologicos (CESE) in Michoacan, a group which specializes in ecological issues, has supported citizen action resulting in the creation of a Municipal Ecological Commission in Erongaricuaro, whose activities include legal assistance, health and lobbying municipal and state authorities; CESE also supports general citizen oversight of municipal authorities. The Alianza Vallesana is working in Valle del Bravo in the state of Mexico and has founded a school for training young people in municipal governance and participation (Escuela de Formacion Ciudadana Municipalista). Twenty workshops were conducted in 1999, which are being replicated throughout the municipality and three neighboring municipalities by the school's students. Alianza Vallesana has also developed a project for a comparative study of four municipalities in the Valle del Bravo area, controlled by different parties, to determine how they use poverty-alleviation funds, and to try to determine the impact of corruption or politicization on the distribution of such funds and the impact on beneficiaries.[24]

An important objective of this activity for MCD is to strengthen the capacity of these local groups. According to MCD staff, most of these organizations have increased their capacity to work at the municipal level. Not surprisingly, the older, more solid groups have functioned best, and greater problems have been encountered in the poorest municipalities. It was also reported that new groups have sought information from MCD and are interested in getting involved in local governance activities. MCD's 1999 report to USAID[25] also noted that there has been a multiplier effect from the local governance activity, and that MCD and its local affiliates now are working in about 100 municipalities.

b. Impacts

In most of the 10 municipalities, according to MCD staff, progress has been made in achieving greater openness to citizen participation by municipal authorities (even in the face of initial skepticism or hostility), although detail on exactly what or how is scarce in MCD reports. Educating citizens on their right to participate, on the means for doing so, and on how to lobby their authorities, has clearly had impact, as indicated in the examples above on the activities of local groups. According to MCD staff, creating awareness of the fact that the COPLADEMUN is a legal structure and citizen participation through it and similar mechanisms is legally mandated has been an important factor in convincing municipal authorities to become more open to citizen participation, since there is the possibility of seeking a state audit of the use of funds if information and the opportunity to participate and oversee expenditures is denied to citizens (though recourse to such measures was not reported).

There have also been some successful efforts to reach out to municipal authorities, including a workshop for authorities from twelve municipalities in Oaxaca. Reportedly, only two of the ten municipalities evidenced openness to citizen participation initially. Resistance by municipal officials was reported to usually be due to fear of being inundated by citizen demands; however, as the participatory process has developed, demands have tended to become more focused and viable, as citizens have become engaged in the exercise of co-responsibility, and the receptivity to citizen participation on the part of municipal authorities has increased.

Nonetheless, in three of the ten municipalities the effort has failed because of the refusal of any type of collaboration and rejection of citizen participation efforts by municipal authorities.

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[24] Information on Alianza Vallesana is from an interview with Mario Rivera, Director, and documents he provided.

[25] *Informe 1999*, op. cit.

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In trying to assess MCD's impact, however, it is important to keep in mind how new the concept of citizen participation in local governance is in Mexico, and how difficult it is to change the political culture that has developed over the last seven decades. Expectations must be realistic, and long-term efforts will be needed to strengthen democratic processes and trust in democracy. Laws providing opportunities and mechanisms for participation have frequently been ignored, and with even greater frequency, the process has been subverted, resulting in pro-forma, rubber-stamp "participation" controlled by municipal presidents (mayors). Because of the prevailing political culture, this has happened in municipalities controlled by opposition parties, as well as those controlled by the longtime governing party. There is no tradition of citizen oversight at the municipal level, and most citizens have no idea how decisions are made or that they have any right or ability to influence or participate in local decisions. Municipal governments have functioned as top-down, paternalistic systems, just as dominated by *presidencialismo* (presidential domination) as the national government. Change is clearly underway, but it is not likely to come about either quickly or easily.

c. Methodology

The point of contact for MCD is the local affiliated organization; the local organization works with municipal authorities and the citizenry, while MCD provides technical assistance and training to the local organization, and either directly provides or trains trainers to provide training and information to the citizenry. MCD staff visit each local organization in each municipality 3 or 4 times each year.

The methodology employed by MCD and its partner organizations appears to be basically sound, although it has some limitations. The methodology is said to be adapted as necessary to work with both current and new municipal administrations. However, there appears to be a much greater focus on working with citizens than on working with municipal authorities to promote a participatory approach. As has been the case for many civil society organizations in Mexico, MCD developed as an opposition force, trying to get the corporativist, closed governmental system to open up and become more responsive to citizen demands. Now that the opening is underway, the challenge will be to develop collaborative strategies that are effective in bringing together both citizens and governmental authorities.

The current methodology is principally aimed at helping the citizenry use existing, legally mandated mechanisms to achieve real representation of the community and community interests, and bring pressure to bear on authorities, if they are not open to citizen participation, to comply with the law and respect the role of these mechanisms in prioritizing and allocating resources to address community needs. Local workshops are conducted in the municipality based on needs and interests of the local affiliates. Topics include democracy and citizen participation in the municipality, understanding municipal government, citizen organization, and accountability (*rendicion de cuentas*) and citizen participation, as well as more general topics such as democracy and citizenship, and lobbying. In addition, national or regional workshops are conducted for affiliated organizations on methodology and topics of common interest. In general, MCD's materials and methodology are gender-inclusive, using language that specifically includes women as well as men, and seeking to ensure equitable participation by all. A manual on municipal governance is now being developed, but was not available for review.

Another area that MCD wants to give greater attention to is the municipal reform agenda, particularly the development or improvement of laws on municipal competencies and functions (*ley organica municipal*). Such legal frameworks are often either lacking or inadequate, impeding municipal responsiveness to citizens and thus the full development of citizen political rights outlined in the constitution. So far municipal reform has tended to focus on administration, rather than on political or financial reform and public policy.

d. Limitations of Current Local Governance Activity

As noted above, a collaborative strategy that includes both citizens and local authorities is needed.

No mention was made of any technical focus or training specifically on participatory local planning, though such an approach is implicit in citizen participation in the COPLADEMUN mechanism and in participatory budgeting. There is currently no manual with this specific focus. Nor is there any mention of involving municipal authorities in such training.

Another limitation is the loose arrangement between MCD and the local organizations implementing the activity, which limits accountability for achieving results. MCD reportedly has now decided to require more formalized agreements (*convenios de contraparte*) with its affiliates for future activities; there were no such agreements for the 10 municipalities included in the local governance activity. Adoption of such a change should contribute to greater accountability and better results.

Other than the documentation effort MCD is supporting through ACCEDDE in Cuquio, replication was not a component of the initial award to MCD, and thus the analysis of best practices to date has not taken place.

Finally, it is evident in MCD reports that during the first half of 2000, MCD's major focus was on electoral issues, and attention to the local governance activity was secondary. Activities in the target municipalities were geared specifically to the electoral process during this period more than to local governance per se.

To sum up, MCD and its affiliated organizations are developing capabilities to work on citizen participation in local governance, but the methodologies could become much stronger. The local governance activity has helped to refine the methodologies and approaches used, and some degree of progress has been reported in all but three of the 10 municipalities. Inability to reach or work effectively with municipal authorities has clearly been an issue affecting success, as has incomplete accountability for results.

D. Conclusions on Current USAID/Mexico Citizen Participation in Local Governance Activities

This section presents conclusions relating to citizen participation in the ICMA and MCD activities.

1. Citizen Participation in the ICMA Activity

- ICMA attention to and impact on citizen participation has been limited, principally because it is difficult to do in Mexico and because it was not a major focus of the activity design, but also because citizen participation cannot be brought about effectively by working with civil society to such a limited extent. Initiative needs to come from the side of the civil society as well as from the side of municipal government. There also must be receptivity and coordination mechanisms that promote and support citizen/government communications and interactions (see Chapter V, which addresses such methodologies and approaches). ICMA could in the future, however, do more to encourage municipal government to open the door to citizen participation.

- The difference in definition of and approach to citizen participation in local governance is notably different between ICMA, on the one hand, and MCD, on the other. ICMA's support for citizen technical advisory committees is a much narrower form of participation limited to citizens with a particular technical expertise who provide advice to help municipal officials and staff improve

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municipal services and functions. MCD defines citizen participation more broadly, emphasizing the role of citizen oversight of elected representatives and municipal officials to ensure that citizens from all sectors of the community have a voice in setting priorities and allocating resources to meet priority needs. The difference is between limited participation at the service of the government and autonomous citizen participation, free of government control, but occurring within a normative framework. ACCEDDE, even though it is working under an ICMA sub-contract to assist in setting up the technical advisory committees, clearly subscribes to a much broader philosophy of citizen participation in local governance, similar to that of MCD.

- There are a host of legal, institutional, cultural, and financial obstacles to achieving local participatory democracy in Mexico that have affected implementation by ICMA and MCD. While major obstacles remain, the political context has shifted markedly in ways that favor local participatory democracy.

2. Citizen Participation in the MCD Activity

- MCD has made progress in raising citizen awareness and interest in participation in local governance in the targeted municipalities. Activities supported by MCD have made citizens aware of their right to participate, have provided information on municipal functions and budgets, and have promoted use of mechanisms for participation at the local level, such as COPLADEMUNs and attendance at city council meetings, in a spirit of citizen/government co-responsibility. Even the majority of initially recalcitrant municipal governments have opened to citizen review of information and participation in decisions affecting them. The process has also sparked interest and involvement of new civil society organizations in local governance issues, all of which contributes to the growing movement toward democratic, participatory local governance.

- However, impact has been limited by lack of receptivity by officials in some municipalities and the inability of MCD and its partner organizations to be effective in influencing these resistant municipal officials.

- MCD and some of its affiliated local organizations are gaining technical capacity in participatory local governance, but the still-limited methodology; the lack of specifically focused manuals, particularly on participatory local planning; and the limited degree to which municipal officials are integrated into the activity are factors impeding success.

- Results have also been hampered by lack of specificity and focus on results in the original grant agreement, an issue of which USAID/Mexico is well aware, and which is due to the way in which the local governance program has evolved as political circumstances in Mexico have changed vis-à-vis USAID Democracy programming. The fact that the grant to MCD covers institutional support for its whole range of activities means that the local governance activity is just one of many (and was not specifically included in the original grant), making it more difficult for USAID to require a focus on performance regarding this component, or to take a results-based approach for this component when the grant document itself is not results-focused. The emphasis in the grant on numbers of activities and participants may account in part for MCD's inadequate reporting with regard to impact, in spite of USAID/Mexico's efforts to provide much more specific, results-focused performance indicators for the local governance activity. Unfortunately, these performance indicators have not been integrated into the regular quarterly and annual reports, which still focus on numbers of activities. Because, as has been noted, results-based programming and reporting is still new to MCD, technical assistance may be needed to help MCD and its affiliates develop more effective performance monitoring and reporting capabilities (see Chapter V).

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- The very loose relationship between MCD and the local organizations with which it works is a result of MCD's vision of itself as a network of independent organizations, rather than as an implementing or "subcontracting" entity. The resulting lack of specific sub-project agreements between MCD and these organizations has contributed to a lack of accountability for results. However, instituting such agreements is now contemplated, to promote greater accountability for results.

- The current MCD award comes to an end in January 2001. Should the Mission decide to continue working with MCD, this close date presents an important opportunity to renegotiate the terms of the award to build in greater specificity and methodological effectiveness.

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V.   PROGRAMMING OPTIONS

A.   Reconceptualization of Citizen Participation in Local Governance

Changes in the Mexican context and the range of opportunities for USAID to help strengthen participatory local governance in Mexico, as outlined in Chapters II and III, together with the lessons learned from current efforts to promote citizen participation in local governance (Chapter IV), form the basis for reconceptualizing the approach to citizen participation in USAID/Mexico's local governance program. This section outlines a programming concept which builds on the achievements of the current USAID/Mexico program and the program's guiding strategy of developing approaches or models for effective local governance and facilitating their replication in other municipalities.

Now that USAID/Mexico's DG program can move beyond the political constraints and sensitivities that guided initial implementation in 1997 and 1998, a more strategic approach can be developed, within the funding limitations faced by the program. This approach will seek to link existing and new activities to the extent possible in order to achieve greater synergy, placing a strong emphasis on documentation and replication of successful experiences, and supporting complementary activities at the state and national levels which facilitate or reinforce the development of effective, participatory municipal governance. When current activities began in 1998, a fully integrated approach was not feasible for various reasons, as already noted. Now, however, the experience gained in these activities and a more favorable environment make a more strategic approach not only possible, but necessary in order to take maximum advantage of the opportunities available to advance participatory local governance goals. This understanding that a new vision was needed was at the heart of the scope of work for this assessment prepared by USAID/Mexico's DG Team.

There are, of course, many areas in which USAID/Mexico could use its limited local governance funds. The assessment team feels strongly that strengthening citizen participation in local governance, while also strengthening the ability of municipal governments to incorporate citizens in municipal decision-making and respond effectively to citizen needs, will have the greatest impact and is USAID's area of greatest comparative advantage. No other donors or programs appear to be already working simultaneously on both these elements in the ways we are proposing, nor in the way that USAID/Mexico's programs with ICMA and MCD have progressed to date.

Discussions with the incoming Fox government's transition team indicate that the approach we are proposing is compatible with the approaches for furthering participatory local governance now being discussed for implementation by the incoming federal government, which is likely to increase national-level interest in the experiences supported by USAID, and thus promote their replication. The strengthened focus on citizen participation will also contribute substantially to important U.S. foreign policy goals, as outlined in Chapter III. Citizen participation promotes increased transparency in local government decisions and budgeting, and thus greater accountability to citizens and reduced corruption. More participatory, responsive and accountable local governments are more likely to effectively address local-level economic development issues to improve the standard of living and reduce the incentive for undocumented immigration to the United States. Similarly, greater participation and democracy can contribute to governmental legitimacy, stability, and respect for human rights, which also improve the quality of life and may ultimately help reduce the incentive to emigrate. Increased local government transparency and participation in government will also improve the climate for business and investment.

Key objectives of the integrated approach outlined below are to develop a model which will:

- help break down the barriers which have separated citizens and their governing institutions, changing the relationship from clientelism and/or opposition politics to dialogue and mutual responsibility;

- bring together citizens and local officials across party, sectoral and class lines to solve common problems, and thus contribute to democratic development;

- further develop local capacity to promote participatory local governance, as a result or by-product of implementing the proposed approach; and

- increase the possibility of replication and also of contributing substantive experiences to inform the debate on reforms to further participatory, more autonomous local governance.

An integrated, strategic approach is outlined below which could be initiated with the local governance funds currently available (an estimated $200-300,000 per year) over a two-year period. The final section of this chapter briefly discusses budget implications and opportunities which might be undertaken if additional funds were to become available.

1.   Develop an Integrated Participatory Local Governance Model

The integrated approach or model we are proposing as a new initiative incorporates a much more explicit and pervasive focus on participatory local planning, as well as related activities designed to both build on and strengthen the ICMA and MCD activities already being implemented (section a below briefly describes participatory planning methodologies, and section b outlines examples of activities to be undertaken). Through the use of participatory local planning methodologies, a broad array of citizens and local officials will be brought together through an organized process to identify and prioritize needs and problems, assess and allocate the resources available to meet them, and develop appropriate plans for action.

This process can be applied broadly, encompassing all municipal investments and services under a comprehensive participatory plan; or more narrowly, to identify and plan action on specific problems or sectors. While the ideal participatory planning process is broad and covers the whole range of municipal investments and services, given the fact that citizen participation in local governance is still new in Mexico, it may be necessary or desirable in some localities to start small, working in a participatory manner to gain consensus on how to determine and meet the most important needs, such as, for example, water or refuse-collection service. This more gradual approach can also help to build the mutual trust and sense of joint responsibility between citizen groups and local officials which has often been lacking, thus creating the conditions for a broader approach to participatory local planning—and participatory local governance--at a later stage.

Such an integrated approach is, of course, most easily implemented by a single institution which can work effectively with both municipal officials and both organized and unorganized citizens, and which can not only support the participatory local planning process, but also the education and organization needed in order to promote citizen participation and the municipal capacity development to prepare local officials to work with citizens and respond effectively to citizen needs. However, it is also important to build on the capacity developed under existing USAID/Mexico local governance activities and to take current program and institutional realities into account, in order to optimize the results which can be expected from a relatively small program in a very large and complex country. USAID/Mexico has dedicated substantial resources toward both municipal strengthening (it has just extended the municipal strengthening activity for two more years) and citizen participation in an effort to develop greater capacity for participatory local governance, including that of the institutions with which it is working, especially MCD. However, that capacity is still incipient in Mexico, and the number of Mexican institutions which can support and ensure the sustainability of such efforts is very small, and operating capacity and coverage is still very limited. Therefore, it is important to continue to build the capacity of current USAID partners and highly desirable to bring in others which could gain greater capacity through implementing the approach we are proposing.

There is no ideal single Mexican institution which could undertake this approach on a sufficiently wide scale necessary to develop, test and replicate a model focused on participatory local planning. For these reasons, we suggest joint implementation, bringing together the municipal strengthening activity, with minor modifications to promote participatory local planning, with a new, strengthened citizen participation activity focused on participatory planning.

This approach could be developed in a coordinated manner by separate entities—ICMA and a citizen participation entity--in a limited number of municipalities to be selected jointly by the implementing institutions. Additionally, an alternative model could be developed by a single local institution working on both municipal strengthening and citizen participation on a limited scale in selected pilot municipalities, given the limited institutional capacity (potential implementing institutions are discussed in some detail in section B below).

Other alternatives were considered in arriving at our suggested joint approach to implementing integrated participatory local planning as a means of developing a viable model for participatory local governance. These alternatives and their pros and cons are briefly synthesized:

- Modify the Cooperative Agreement with ICMA to encompass the new participatory local planning activity, either by modifying the design and objectives to include participatory local planning and additional citizen participation activities, or providing for sub-grants to implement citizen participation and participatory planning. While this alternative has the virtue of relative managerial simplicity, ICMA has no comparative advantage in working with citizens to bring them into such a process, although it is eminently qualified to work with municipal officials and staff on participatory planning processes. Further, sub-grants for citizen participation through ICMA would almost inevitably make the citizen participation component subsidiary to the municipal strengthening activity, instead of co-equal.

- Make one or more new grants to MCD or other citizen participation organizations (see section B) to implement citizen participation activities under an integrated participatory local governance approach. While this alternative promotes co-equal emphasis on citizens and municipal governments in implementing participatory local planning and other citizen participation activities, such small grants impose a heavy management burden on USAID/Mexico's small Democracy staff. It would also be very difficult for Democracy staff to coordinate the activities of more than one NGO.

In view of these issues, our preferred alternative for implementing the proposed integrated participatory local governance approach is to set up a neutral grant-management and quality control mechanism to sub-grant to Mexican NGOs to support participatory local planning by promoting informed, responsible citizen participation in the planning process, as well as other aspects of participation in local governance. Use of such a mechanism (most probably a U.S.-based institution) would permit grants to more than one NGO without increasing USAID/Mexico's management burden, and thus would permit development of a greater diversity of experience and models, as well as building institutional capacity among the very limited number of such intermediary institutions working in participatory local governance. The new management entity, in addition to providing sub-grants to the NGOs which would carry out activities to promote citizen participation and participatory local planning in conjunction with ICMA (or possibly independently, working with both municipal officials and citizens, as an additional model, as noted above), would also provide technical assistance and oversight to these NGOs. It would help them develop the capacity to effectively apply participatory local planning methodologies if necessary, as well as performance monitoring and results-based reporting or other areas where skills may need strengthening. This management entity would coordinate with ICMA (and with partner NGOs) in selecting target municipalities and ensuring that training of municipal officials and strengthening of municipal mechanisms and systems, and education and organization of citizens is coordinated, so that a fruitful participatory planning process can be carried out. ICMA and the new management entity would also

coordinate monitoring and evaluation of results, and all other activities affecting the new joint activity, on a co-equal basis.

The possibility of linking municipal development and citizen participation was considered by the Mission when the current program was developed and workplans, results frameworks and indicators were designed, but was not considered feasible at that time. Conditions have now changed. Both current and other potential implementing organizations have gained greater experience, and there is greater recognition of the need for effective means for citizens to have a voice in municipal decisions. The old corporativist structures are breaking down and citizen demands for greater participation are growing.

As noted in Chapter IV, the ICMA activity has made some progress in promoting information sharing and greater openness to citizens, but was not charged with and has not been involved with promoting organized participation in decisions with regard to municipal services or public works, beyond the very limited role of technical advisory committees. Municipal governments can and should open the door, provide information, encourage use of participatory mechanisms and spaces and take the results of such participation into account in making decisions, but they cannot by themselves bring citizen participation about. Nor should all citizen participation be dominated by or under the control of the municipality, although there should be a clear normative framework for participation in local governance, in which the roles, rights and responsibilities of all parties are clear.

As noted in the conclusions to Chapter IV, there are clearly different ways to define citizen participation. Our proposed approach views citizen participation, particularly organized participation through mechanisms which represent the interests and priorities of citizens geographically and sectorally (thus including all individuals and interests, ranging from community organizations to private sector business and industry), as an autonomous counterweight to local government, to collaborate constructively with local government but also to ensure that municipal authorities use the available public resources to equitably address the needs of the entire community. By the same token, to be legitimate and productive, such participation must also be informed and responsible.

The MCD activity has also been successful in making citizens aware of their right to participate, providing information on municipal functions and budgets, and promoting the concept of citizen/government co-responsibility and effective use of existing mechanisms for citizen participation at the local level. However, these efforts have been hampered by lack of receptivity and even total opposition to citizen participation by officials in several municipalities.

By taking an approach focused on participatory local planning, which brings together citizens and local officials to identify and address problems, the impact should be substantially greater than that achieved by either the municipal development or citizen participation activities working in isolation. The principle of synergy should apply: as municipal officials permit citizens access to information and facilitate their informed participation, there should be a greater store of talent and energy to apply to solving local problems, which in turn should help improve municipal services and functions and contribute to generating new resources for further development. Working with both the citizens and municipal officials to bring about effective, responsible participation, coupled with greater municipal receptivity and recognition of the value of citizen participation in improving municipal services and selecting municipal works, should have a much better chance of achieving success and inspiring replication by other municipalities.

There are, of course, substantial challenges implicit in this approach. It will not necessarily be easy for separate institutions which have worked independently to collaborate, although both ICMA and MCD have expressed some willingness to do so. Criteria for selecting common municipalities in which to work may differ and may require compromise and adjustment, and it may be difficult to find an adequate number of appropriate sites. Political sensitivities and barriers, especially, will need to be taken into

account in selecting target municipalities. It will be necessary to carefully time interventions with municipal officials and citizens to achieve maximum benefits from complementarity, which may cause delays or other difficulties. A greater focus on citizen participation could also be perceived as detracting from more technical interventions to improve municipal administration and services, although it can also be argued that greater participation will help improve administration and services. Considerable flexibility in dealing with such issues will be needed on the part of all implementing organizations, and by USAID/Mexico. Nonetheless, such an integrated approach, in spite of such difficulties, is still likely to have greater impact than continuing to work separately with citizens and municipalities. In order to bring about more participatory, democratic local governance, the difficult challenge of building bridges across the citizen-government divide must be met, and the approach proposed will begin this process.

a.   Participatory Local Planning and other Methodologies

There is no single methodology for participatory local planning; rather, different organizations have developed variants for guiding the process. However, these approaches have a great deal in common, although details and terminology may vary. The key element for participatory local planning is the existence or creation of a mechanism which effectively represents all elements and sectors of the citizenry, to identify and prioritize the needs and demands of diverse communities and sectors, develop consensus, and negotiate these demands effectively with the municipal government, thus developing a common plan of action agreed to by both citizens and municipal officials, for determining implementation responsibilities and timeframes and allocating resources to meet priority needs. This same mechanism also monitors compliance with the plan.

There is considerable variety in the types and composition of such mechanisms for participatory local planning. If no such mechanism exists, it can be created through the initial participatory planning exercise. Most often, a committee or other mechanism either exists (such as the COPLADEMUN in Mexico) or is constituted or revitalized, to represent geographic neighborhoods or communities (usually incorporating leaders of community associations), together with important sectoral interests, such as business owners, market sellers, crafts and industry, agricultural associations, cooperatives, etc. Sometimes demographic groups are also represented, such as women and youth. Social and economic development NGOs active in the area may also be represented, along with local representatives of national or state governmental agencies relevant to municipal issues. Local government officials (the mayor and sometimes one or more municipal council representatives) may also be members, or if not, municipal officials may be designated to work closely with the committee and ensure coordination. There are varying opinions on whether municipal officials should be members; those opposed cite the need to maintain the autonomy of the committee as a citizen organization. However, many committees with mayors and/or councilors as members appear to work well. In either case, care should be taken that municipal officials collaborate effectively with citizen representatives, but do not dominate or co-opt the process.

In the Mexican context, ACCEDDE promotes a participatory planning process consistent with the approach outlined above, working at both municipal and regional levels within the state of Jalisco. ACCEDDE focuses on building mechanisms for citizen participation which bring together the business and productive sectors, community/neighborhood associations, social organizations, etc., with local government officials. Through workshops, problems are diagnosed and strategies and projects are defined. The process undertaken in Cuquio, with the support of ACCEDDE and other organizations, encompassed development of a participatory mechanism, the *Consejo Democrático Municipal de Cuquio* (CODEMUC), which represents all communities in the municipality (municipal officials are not members, but collaborate with the CODEMUC). In order to avoid domination by the corporativist sectoral organizations dominant in Cuquio when the CODEMUC was created, a decision was made to begin with geographic representation; there is now also some participation by representatives of sectors such as agriculture and livestock producers, *ejidatarios*, local business, etc. The CODEMUC annually

analyzes the situation and diagnoses and prioritizes all community needs, and works together with the municipality to plan solutions. The CODEMUC also exercises oversight over projects, including such issues as the prices of materials used, and reviews public accounts. While the CODEMUC is similar in composition and general function to the COPLADEMUN mechanism common in Mexico, it has become much more representative and participatory than most such bodies, and its purview is much broader, extending to all municipal projects and investments, not just those financed by national and state transfer funds. It is an autonomous entity with legal standing (*personería jurídica*).

The PROMUDE municipal development and decentralization project in El Salvador, supported by GTZ, has developed a concise but quite specific guide for developing a participatory municipal plan, the main elements of which are summarized here.[26] It should be noted that this particular process was promoted by project staff working with the municipalities, and was initiated through the municipalities. If the community is organized, however, the initiative could come from a citizen committee, or could develop jointly between the citizen committee and municipal officials. In any case, the basic process followed would be similar.

A participatory municipal plan responds to three basic questions:

- What are the priority problems?

- What needs to be done to resolve them?

- How should it be done?

In order to answer these questions, the initial planning process consists of six steps:

- Agreement and preparation, in which the mayor and council agree to the development and execution of a participatory plan, participants are identified and invited and the necessary information is prepared.

- Identification of problems, through a participatory workshop with broad geographic and sectoral representation of citizen interests. Problems and their causes are analyzed and prioritized.

- Development of solutions for the priority problems identified, through two workshops. The first workshop, again broadly participatory, defines a vision for how the participants want their municipality to be, and a set of objectives to be achieved, taking into account the problems identified. Finally, a workplan is developed specifying results or targets keyed to the objectives and activities which must be carried out to achieve the desired results. Responsibilities, resources, and timeframes are also specified. The second workshop is primarily for municipal officials and staff, to develop an institutional plan, to strengthen municipal capacity to carry out the broader participatory plan. It is suggested that at least some citizen representatives also be included, to ensure that the "client" perspective is represented.

- Development of an annual investment plan, through another participatory workshop, based on the projects and activities defined in the workplan. Costs and resources are balanced through the application of criteria and weighting to determine the priority and timing of individual projects.

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[26] Programa PROMUDE/GTZ and Instituto Salvadoreño de Desarrollo Municipal, *Guía para la Planificación Participativa Municipal*, San Salvador, October 1998. It may be possible to obtain copies by contacting PROMUDE, Apartado Postal 3172, San Salvador, El Salvador, fax 503-263-1222, e-mail promude@itinet.net.

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- Implementation of the plan, which comprises execution of the workplan, institutional plan and investment plan, either by the municipality alone or, more usually, in association with other entities and/or the community.

- Oversight/monitoring and evaluation, to ensure that planned activities are carried out and expected results are achieved. This should be done by both the municipality and the citizens' committee, or by a joint coordinating committee representing both the municipality and citizen interests.

Bringing about democratic, participatory local governance and instituting a process of participatory local planning, while here envisioned as an activity or program to build and disseminate a model or set of pilot experiences for others to replicate, also shares many characteristics of a policy reform approach, when considered more broadly, intended to promote fundamental changes in how local government institutions work and how public decisions are made. The strategic tasks necessary to achieve policy implementation[27] are very relevant to any effort to promote participatory local governance and carry out participatory local planning:

- Legitimization

- Constituency building

- Resource accumulation

- Organizational design and modification

- Mobilizing resources and actions

- Monitoring impact

Many of the implementation strategies and tools for carrying out these tasks, summarized in Table Two in the referenced IPC document, could be usefully employed in designing and implementing the approach we are proposing (see Annex III).

As is noted elsewhere in this report, some of the lessons and methodologies developed through USAID's Implementing Policy Change (IPC) Project may be useful, particularly in working with state governments to replicate this approach. Training in some of the tools developed for policy implementation may also be useful for both municipal and citizen participants engaged in participatory local planning, particularly stakeholder analysis, political mapping, negotiation and coordination.[28]

b. Types of Activities Included under the Integrated Approach

Briefly, the integrated approach, emphasizing participatory local planning, would encompass content and activities such as the following. These high-priority activities were selected based on findings from the current activities as well as our assessment, derived from interviews, visits and document reviews, of what is most needed to bring about effective, participatory local governance. While the approach will be implemented through two different activities, the integrative principle is a joint focus on participatory local planning. Both the municipal strengthening activity and the citizen participation activity will share this focus and work toward this common goal in a coordinated manner. Of course, each activity will also

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[27] Benjamin L. Crosby, "Technical Note No. 12, Managing Policy Reform: the Implementation Task Framework", IPC Project, n.d.. (Annex III.)

[28] Center for Democracy and Governance, Global Bureau, USAID/Washington, "Policy Implementation: What USAID Has Learned", March 2000, pp. 7-9.

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carry out other activities designed to build the capacity of both municipalities and citizens and thus strengthen democratic local governance.

In working with municipal officials and staff, either the existing ICMA activity or any new activity working with municipalities should give greater emphasis to creating favorable conditions for citizen participation. With reference to citizen participation, the ICMA activity currently includes indicators on making information public, responding to citizen requests, incorporating input from citizen committees and citizen participation in the budget process, which are part of the index for measuring progress. The types of additional activities recommended under the municipal activity include:

- Strengthening current efforts to orient municipal officials on both citizen rights and responsibilities, legal requirements for citizen participation and the contributions of citizen participation and participatory local planning in strengthening municipal programs and services (this could be done with the collaboration of the citizen participation institution working in the municipality). This would include promoting open budget information and hearings, and effective use of existing mechanisms for participation in budget allocations. Such existing mechanisms include the COPLADEMUN and similar structures mandated by federal and state law, to institute participatory local planning of investments and services, including socio-economic development initiatives as well as infrastructure. Ideally, COPLADEMUN-type structures could be broadened to facilitate citizen participation in prioritizing municipal services and projects funded from all budgetary sources (as has been done in Cuquio), not just federal and state transfer funds. The forthcoming ACCEDDE/MCD publication documenting the Cuquio process and impact could be a useful tool in convincing municipalities of the value of such a participatory approach. Ocotlan's experience working with the private sector (especially the *Grupo de Treinta*) could also be examined further for its possible application elsewhere.

- Carrying out an increased number of Resource City exchanges specifically on measures to promote and facilitate citizen participation in municipal planning and decision-making, ensuring that such exchanges are relevant to the Mexican context. Areas which might be included would be participatory local planning and budgeting, and setting up offices to facilitate citizen communications and participation.

- Using the panels ICMA is already planning to promote citizen participation and participatory local planning. ICMA plans to present its program to officials of municipalities which may be interested in participating, using panels (on water and other services, for example) in which citizen participation is a cross-cutting issue. Consideration could be given to having a panel devoted to citizen participation (including participatory planning for use of federal transfer funds, for example) or greater emphasis could be given to the role of citizen participation in the panels currently planned (on finance and budgeting, for example).

- Providing local workshops and specific technical assistance in participatory planning and budgeting, which ideally would be developed in collaboration with the organization working directly with citizens, and would include both municipal officials and staff and citizen members of the COPLADEMUN or similar mechanisms.

- Promoting open municipal council meetings (*cabildos abiertos*) by all participating municipalities. By law, council meetings should be open, but in practice they are usually closed to the public.

- In addition, current municipal strengthening activities would continue, to enable municipal governments to improve their systems and functions in order to respond more effectively to citizen needs.

In working with citizens, continue the types of activities currently being implemented by MCD, and add some new elements to a more tightly focused citizen participation activity to be carried out in collaboration with the municipal activity. The new elements would include a strong focus on participatory local planning and greater communication and collaboration with municipal officials, and with ICMA, to promote a climate of co-responsibility between citizens and municipal government. Suggested activities would include:

- Continuing to provide information and training to citizens on municipal responsibilities and functions and on citizen rights and responsibilities. There should be a strong focus on responsible participation and shared citizen-government responsibility.

- Continuing to press for open municipal council meetings (*cabildos abiertos*), and promoting responsible citizen participation in such open meetings.

- Continuing to educate citizens on municipal resources and budgeting processes and develop citizen capabilities to press for, monitor and participate in open budgeting and participatory local planning processes.

- Continuing to promote citizen awareness and use of existing mechanisms for participation in local government decisions such as the COPLADEMUN; and promoting democratic and equitable representation of citizens on such bodies, both geographically and sectorally. If there is no such viable mechanism, citizens should be made aware of the need for such a mechanism and supported in effective advocacy and skill development so that one can be created. The forthcoming documentation on the Cuquio experience should be a very useful tool to use in working with citizens.

- Developing manuals and training citizens in general and members of bodies such as the COPLADEMUN in participatory local planning, and in skills necessary to participate effectively in the planning process, in close collaboration with municipal officials and staff.

c.   How the Integrated Approach Could be Carried Out

Fundamental to this approach is carrying out both the ICMA activity and a new, complementary citizen participation activity in a common set of target municipalities (6 to 10 at least) mutually agreed upon by the implementing organization(s) and USAID/Mexico. Activities on the citizen and municipal sides of the equation should be coordinated by the implementing institution(s), and all parties should be fully informed and open to the approach being pursued. It may be useful to phase in the citizen participation activity after basic groundwork has been laid by the municipal development activity, to ensure receptivity and openness to citizen participation by municipal authorities, but the need for a phased approach should be judged by the circumstances of the participating municipalities.

As noted earlier, some may argue that such joint implementation of the integrated approach focused on participatory local planning is too difficult, too politically sensitive, or likely to detract from improving municipal services and administration. While this collaborative approach clearly will not be easy, we believe it is essential to maximize results and take full advantage of the democratic opening now evident in Mexico. A disposition to collaborate, a flexible approach, and attention to the criteria outlined below can help to bridge the current gap between government and citizens, as well as the gap between organizations working with municipal officials and with citizens. This will contribute both to more effective democracy and local governance, as well as to developing institutional capacity to support such efforts, which is greatly needed at this critical juncture.

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Some criteria for selecting municipalities in which to apply this integrated approach, in order to build a successful integrated model for participatory local governance, follow:

- Choose municipalities which have reasonable prospects of fulfilling the integrated participatory local governance model. This means that ICMA should orient its eligibility criteria more toward citizen participation, and the institution(s) working on the citizen side should take municipal government receptivity into account. This would strengthen prospects for both success and sustainability, promoting prospects that the municipal government would institutionalize participatory reforms as well as grounding citizen participation in the community (even if a future municipal government should try to close the door on participation, it would be likely to continue due to organizational strength and a cultural shift toward such participation).

- Choose municipalities whose experiences illustrate success in a variety of ways: size; economic, social, and cultural characteristics; diverse political parties. Since a major purpose is to create and document successful experiences that lead to replication, weight should be given to choosing municipalities and types of participation that are different than those already achieved in Jalisco by ICMA and in various states by MCD.

- Choose municipalities that offer more prospects for replication.

- Choose municipalities in which the program can work in a cost-effective manner.

The foregoing criteria and the suggested pilot state approach (discussed below) have implications for ICMA's activities under its recently extended Cooperative Agreement:

- ICMA is planning to give more weight in selecting municipalities to the initial commitment of the municipal president to citizen participation. Consideration could be given to informing the entire municipal council that citizen participation is not just one more activity, but is an essential part of the program.

- ICMA should make clear that citizen participation as well as increased municipal capacity entail transparency, and therefore citizens will find out about what is going on. That could generate political support as citizens see their local government overcoming obstacles; or the opposite could happen. One way for ICMA to convey this risk is to ask this question early on of mayors and municipal council members in potential participating municipalities:

    Are you willing to let your political opponents, as well as citizens in general, become aware of local government operations?

The answer should be YES, at least for those areas in which ICMA is slated to provide technical assistance to given municipalities.

- Consideration should be given to establishing phases or milestones that jointly cover the technical and citizen participation advances expected in a municipality assisted by ICMA. Advances would have to be achieved on both fronts as a condition of continued technical assistance.

- Finally, the budget limitations of the ICMA Cooperative Agreement and the suggested reinforcement of the pilot state approach to promote replication have major implementation implications in the short and long run for ICMA's choice of municipalities and use of time by its technical staff. It implies a significant strengthening and acceleration of the consolidation of Jalisco already planned by ICMA in the extension period. It also suggests that one state, or two states at most, be chosen; almost all of the

new ICMA municipalities should be located in Jalisco, or second (and third) states. For very practical scheduling and logistical reasons, it may be prudent to choose municipalities in the second state and begin implementation before choosing the third state). Significant technical assistance to individual municipalities outside of pilot states should be limited.

2. Analyze and Document the Experiences

Each organization implementing the integrated approach should document its experiences, analyzing the successes but including failures as well (especially when they illustrate important lessons, such as obstacles encountered). A common framework should be developed for documentation, to ensure the greatest degree of comparability possible, and to help in drawing lessons from the various experiences and developing one or more models for integrated, participatory local governance. Nonetheless, the framework should not be so detailed and rigid that it becomes a significant burden for the implementing organizations.

Consideration should also be given to analyzing and documenting the current activities (ICMA's first phase in Jalisco and MCD's work with 10 municipalities) using the same framework, to provide comparisons with the integrated approach and to enrich the lessons which can be learned. If this is done, the analysis and documentation of the existing activities should be done as soon as possible, before changes of government or other circumstances blur the results achieved.

The documentation should make clear how the experience fits within the integrated approach's elements: strengthening municipal government, strengthening citizen participation, and effectively linking the two to facilitate collaboration and co-responsibility.

The framework for analyzing and documenting experience may either be developed collaboratively by the implementing institutions, or, alternatively, by a specialized organization. It will also be necessary to decide which organization(s) might take on the function of collecting, revising and systematizing the documentation done by the implementing organizations and distributing the materials appropriately, for example, through paper copies, or electronically through one or more websites, targeting municipalities, states, or a national audience. The implementing organizations and USAID/Mexico should consider these issues and a plan should be developed to ensure an effective documentation and distribution process.

Similarly, at the outset of activities in municipalities thought should be given to the documentation format and medium, such as print, video, audio, or CD-ROM, and the intended audience (illiterate citizens, literate citizens, citizen groups, municipal technical staff, municipal elected officials, local providers of technical assistance); and cost and cost effectiveness. Care should be taken that the activities are documented during the course of implementation, so that documentation can be completed by the time that activities end.

3. Replicate the Model Experiences

a. Distribution of Information

As noted above, the first step in replication is the wide distribution of the successful experiences at the local, state, and national levels. Especially if CD-ROMs and websites are used, cost effective distribution can be achieved. It is important to plan for the analysis, recasting (as necessary), and generation of information to be disseminated, including selection and support for the organization(s) that will produce and disseminate the products.

It is also important to identify a wide variety of organizations to receive the products. They would include state and national municipal associations, federal and state offices that support and guide municipalities,

universities, and other appropriate organizations. On a limited and selective basis, the program could also participate in conferences or conduct training with organizations at the national level, as a means of sharing the experiences and model(s) developed.

As already anticipated, the Partnership will make use of the distance learning program of the Instituto Technológico de Estudios Superiores de Monterrey (ITESM). In the quarter ending September 30, 2000, the ICMA Senior Municipal Advisor participated at ITESM in recording an introductory training course for incoming municipal officials; it was anticipated that the course would be broadcast in October 2000.[29] Continued use of the ITESM 'virtual university' and other such programs with a national outreach will be cost-effective means for sharing information and promoting replication.

b. Reinforcement of the Pilot States Approach

Besides having widely distributed information products, replication can be promoted by having certain organizations become familiar with the content of the successful experiences and take on the responsibility to help municipal officials and citizens make use of them. It is suggested that the existing Pilot States approach of ICMA be continued, strengthened, and extended to include documentation and replication activities.

The suggested reinforcement of the Pilot States approach offers links to President Elect Vicente Fox's goals of a strengthened federalism and decentralization, and of more effective and autonomous municipalities.

(1) State of Jalisco

In the State of Jalisco, it is suggested that the integrated program continue to provide technical assistance to, and utilize, the state office of municipal development (Dirección de Desarrollo Municipal), if the new government elected on November 12, 2000, agrees to support it fully and in a non-partisan manner. This builds upon activities and a good working relationship that ICMA already has with this state office and helps strengthen ICMA's proposed consolidation[30] in that state. In the second quarter of 1999 ICMA and the State of Jalisco formalized their cooperation in a collaboration agreement. [At the outset of the RCP consideration had been given to the idea of working with a Jalisco-level, multi-party municipal association. But the political climate was not propitious for such an approach.]

In Jalisco, the program could enter into discussions with the new Governor and his team concerning major strengthening of the Dirección de Desarrollo Municipal. The new Government (elected for 6 years) will cover two municipal terms and could do much. A commitment to non-partisanship is essential. The existing Dirección de Dessarrollo Municipal already facilitates the access of municipal officials to appropriate State offices (finance, for example) and does some training. This is a good technical fit for the replication of the program's successful experiences in Jalisco.

Potential links are many, including the planned Regional Government offices and the existing Dirección de Desarrollo Social, which deals with citizen participation. If the program decides to make use of ACCEDDE to work with existing or new ICMA-assisted municipalities during the extension period, ACCEDDE could also work with the Dirección de Desarrollo Social to forge links to encourage replication of the integrated approach.

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[29] ICMA, U.S.-Mexico Partnership for Municipal Development, USAID Quarterly Report XII, July 1, 2000 – September 30, 2000, p. 2

[30] Proposal for Continuation of Program Activities, submitted to USAID/Mexico by ICMA, March 2000, p. 8

In Jalisco and in the other states (discussed below) the Local Governance Program could utilize State-Civil Society Partnerships, one of the mechanisms USAID has found useful for dealing with organization complexity in policy reform. The partnerships could include the private sector as well as other representatives of the civil society. USAID is promoting these partnerships internationally because the current policy reform agenda may extend "…beyond the capabilities of government to achieve results without citizen input and effort." [31] In a large state like Jalisco (roughly comparable in size and population to some countries) accomplishment of such policy reform would still be a major challenge, but less so than at the national level in Mexico.

With sufficient commitment and support from the Jalisco State Government, the program could not only institutionalize replication of its successful experiences, but could also contribute to the functioning of a non-partisan, state program that promotes municipal strengthening and citizen participation in a non-partisan fashion. Such a Jalisco state program could serve as a model nationally.

(2) Other States

Similarly, appropriate replicating institutions should be identified, selected and supported in the other Pilot States, to help replicate the integrated approach to participatory local governance proposed. In other states that could be a state municipal development office but it might be a university, a municipal association, or an NGO.

The extended ICMA Cooperative Agreement, based on a March 2000 proposal from ICMA to USAID/Mexico, anticipated working in up to 20 additional municipalities (beyond the six in Jalisco) in up to 6 states in the northern, central, and southern regions of Mexico.[32] October 2000 discussions with the Resident Advisor and the ICMA report for the quarter ending September 30, 2000,[33] indicate that ICMA is, for the time being at least, focused on the three states of Nuevo León in the north, San Luís Potosí in the center, and Campeche in the south.

Selection of the next Pilot States is an important matter. The following are selection criteria that could be used; most, if not all, of them have been taken into account by ICMA and USAID/Mexico:

- The Governor should be from a different political party than the Governor of Jalisco, who is to be elected on November 12, 2000. Even if the state level replicating organization is not part of state government, it would be useful to have more than one party represented in the program at the state level. Due weight should be given to the fact that there are more PRI municipalities in Mexico than those of any other party. Because even Mexican public administration and management are very partisan, it is useful to be able to demonstrate that Governors of different parties are able to provide support to all the municipal governments in their states on municipal strengthening and citizen participation.

- The decision-making as to both the number of states chosen as well as which ones should bear in mind that the time and budget constraint of the recently awarded two year extension of the ICMA

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[31] Center for Democracy and Governance, Global Bureau, USAID/Washington, "Policy Implementation: What USAID Has Learned", March 2000, page 12.

[32] Proposal for Continuation of Program Activities, submitted to USAID/Mexico by ICMA, March 2000, pp. 8-9

[33] Ibid, p. 3

Cooperative Agreement. On the time constraint, consider the time necessary to generate, document, and replicate experiences.[34]

- States could be chosen for their proximity to Jalisco to keep technical assistance costs down.

- States could be chosen to demonstrate how replication would work in a state which differs sharply from Jalisco in economic and social development and culture.

- The state level organization identified at the outset for eventual replication already has technical capability and has demonstrated a commitment to municipal development and citizen participation. And that state level organization is willing to support replication in a non-partisan manner.

Although these selection criteria may be familiar, the present analysis calls particular attention to the early choice of a qualified state level replicating organization and the need for documentation and replication within the time and budget constraints of the extended Cooperative Agreement. If the Local Governance Program decides to pursue replication vigorously in the next phase, then the replication-related criteria in effect receive more weight, probably reducing the number of states that can be incorporated as well as affecting which states are chosen. If replication is so emphasized, there are immediate programming implications for ICMA, which has begun the process of identifying potential states and municipalities outside of Jalisco.

4.   Reinforce the Integrated Participatory Local Governance Approach by Supporting Selective National Interventions

As the ICMA activity is already planning to do during the two-year extension period, it is important to share documentation on the experiences developed (incorporating both municipal strengthening and citizen participation) with national institutions such as the three major municipal associations, CEDEMUN within the federal government, universities, and research institutions working on municipal development. On the citizen participation side, the organizations implementing citizen participation activities, as well as any institutions supporting documentation and replication efforts under the program, should also share documentation with the NGO community involved in municipal-level activities and citizen participation. A coordinated approach to experience sharing between the participating institutions will be important in ensuring wide distribution of information.

If the reconceptualized program must operate under current funding levels, other national activities should be undertaken on a highly selective basis on issues that reinforce the integrated approach proposed, for example by supporting reform efforts which could address barriers to more participatory, autonomous local governance. Care must be taken, however, to avoid diverting resources needed for replication of the integrated approach. It is prudent to note that an ambitious policy reform at the national level would call for the involvement of many organizations (stakeholders)[35]; interacting effectively with them would be a major challenge for the small Local Governance Program in Mexico.

Examples of national-level activities which might be supported include:

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[34] Even in Jalisco, it will take a significant number of months to complete documentation, distribute it, and achieve some degree of replication.

[35] Center for Democracy and Governance, Global Bureau, USAID/Washington, "Policy Implementation: What USAID Has Learned", March 2000, page 10.

- Support the national municipal reform agenda in the Executive and the Legislature by working with both national municipal associations and the national NGO community, through both the ICMA and citizen participation activities, if there are opportunities which do not duplicate existing efforts. Bringing the experience developed through the integrated approach and relating it to specific elements in the reform agenda may be an important contribution to the debate by the program's implementing institutions.

- The program's implementing organizations should continue to participate, as they have been doing, in the variety of fora in Mexico which address issues of decentralization, federalism and local governance. They should make a point of bringing experience derived through their USAID-supported activities to such fora. Events related to municipal anti-corruption efforts could be targeted.

The program should be sufficiently flexible so that it can respond to requests for assistance over the coming months or years, but unless funding is increased, priority should be given to activities which foster the programs goals with respect to participatory local governance.

B.   Potential Implementing Institutions and Mechanisms

As already noted, because it is important to build on the gains made under the current program, and because there is no ideal single institution to implement the integrated approach we are proposing, the most feasible implementation arrangement would be to link the ICMA activity and the new, more focused citizen participation activity, as described in Section A. This would allow the program to build on and complement the municipal strengthening work already completed and to develop an integrated approach for the planned expansion to other states and municipalities. This would include, if feasible, implementing the citizen participation component and the focus on participatory local planning in some of the six ICMA municipalities in Jalisco, preferably by ACCEDDE. The feasibility of doing so will need to be determined after the new municipal authorities have taken office.

As already indicated, we recognize that requiring two implementing mechanisms to work collaboratively on an integrated approach will not be easy. There are implementation implications both in terms of how ICMA and the citizen participation management entity and its partner NGO(s) cooperate with each other, as well as in how they coordinate their assistance to the municipal government and to civil society in the same municipalities.

While there are different ways in which such cooperation could be structured, it is important that it be decided at the outset of ICMA's involvement with a new municipality or even ICMA's continuation in any of the present six pilot muncipalities after the November Jalisco state and municipal elections. It is also important that the municipal government understand from the beginning that ICMA and another organization will be working to involve citizens using available or potential participatory mechanisms, and to foster a participatory approach to municipal planning and decisions. If a municipality opposes the kind of citizen participation indicated, then the program should go elsewhere. Finally, it is important that any proposed new ICMA sub-grants in the area of citizen participation undergo prior USAID/Mexico review to ensure that they are in line with this new integrated approach.

There are several Mexican NGOs which could implement the citizen participation/participatory local planning activity, through sub-grants under the umbrella management entity proposed earlier. These include MCD, ACCEDDE (for Jalisco), CESEM, COPEVI and Equipo Pueblo. MCD's programs have already been described in Chapter IV, as were relevant ACCEDDE activities and capabilities (it must be remembered that ACCEDDE is a regional organization, operating only in portions of the state of Jalisco).

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- The Centro de Servicios Municipales "Heriberto Jara" A.C. (CESEM) was founded to take advantage of the democratic opening which occurred in 1988, as opposition parties gained control of some municipal governments. It was created to provide training and support for these new municipal authorities, many of whom emerged from the social and democratic movements, who had no experience in municipal government, and no access to the support system then completely controlled by the PRI, the governing party. CESEM was the first such specifically municipal-focused civil organization in Mexico; it is based in Mexico City and works throughout the country. CESEM works directly with local authorities, regardless of party, if they are disposed to undertake democratic change, across a wide range of issues, including both technical and administrative issues, as well as democratic values and behavior, particularly citizen participation. It works in collaboration with local groups, municipal associations such as AALMAC and AMMAC, and international municipal networks such as the International Union of Local Authorities (IULA). CESEM offers specialized training in municipal functions and management to local authorities and staff, and has developed 18 training manuals. It has also developed an internet training course in municipal management. It also undertakes research and produces specialized publications, covering citizen participation and gender issues in local governance, among others.

- The Centro Operacional de Vivienda y Poblamiento, A.C. (COPEVI) was founded 38 years ago, a pioneer among Mexican NGOs. It is based in Mexico City. Its original purpose was to support housing for the low-income population through formation of housing cooperatives and support for needed legislation. COPEVI's Municipal Development and Management Program began in 1989. As with CESEM, it entered this area in order to strengthen and support the democratic opening at the local level, including citizen participation and municipal autonomy. COPEVI focuses on integrated municipal development; strengthening of civil society and citizenship; and the democratic transformation of local government. It provides technical assistance and training in municipal functions and management, and in participatory planning and management of municipal development. COPEVI works with both municipal authorities and citizen groups. Through events, campaigns, research and action projects, it involves local, national and international organizations and networks, and is working on the municipal reform agenda. While COPEVI has worked in 12 states in Mexico, including four years supporting the participatory processes in Cuquio, because of budget constraints it is currently focusing its efforts on five delegations (territorial divisions equivalent to municipalities) in the Federal District.

- Equipo Pueblo, also based in Mexico City, was founded in 1977. It was created to support social development and democratization, and to develop alternatives to combat poverty. It focuses predominantly on the poor and excluded, and works in various areas of the country as well as on national issues. Equipo Pueblo's program areas include regional development (which includes social and productive projects); citizen diplomacy (to promote citizen solidarity and participation in decisions with regard to globalization); municipal strengthening (to strengthen municipal government and develop citizen participation); and public policy (to influence economic and social policies based on local experiences, including work on the municipal reform agenda). It works in the areas of management, planning and evaluation, as well as research and production of publications. Equipo Pueblo works in collaboration with many other organizations, including Poder Ciudadano, MCD (on the "budget with a human face" initiative), and the municipal reform network, including CESEM and many others.

Another institution which could play a role, possibly as an implementing institution, but more likely in a technical support role, is FUNDAR. FUNDAR is a small research institution and think tank dealing with democracy and citizen participation issues, based in Mexico City. One of its areas of specialization is public budget monitoring and citizen budgetary oversight. It also has experience in analyzing the gender implications of public budget decisions. FUNDAR's expertise might be drawn on for workshops for

municipal authorities, COPLADEMUN members and citizens. FUNDAR is also engaged in a research project to identify and analyze innovative and successful experiences involving citizen action at the municipal level. This organization should be considered as a technical resource, and perhaps as an institution which can assist in the documentation and dissemination efforts outlined earlier in this chapter.

Another organization mentioned was IDEAR, based in Queretaro, but because it was not possible to make a visit or secure an interview during our stay in Mexico, it is not included here. The team did visit Vertebra, an umbrella-type organization founded two years ago. It is based in Mexico City, and is forming affiliated groups throughout the country (there were nine at the time of our interview, most very new). Vertebra seeks to bring civil society organizations together to promote a unified social vision for Mexico, and also to bring the different social sectors together, such as business, agroindustry, peasant farmers, youth, etc. The purpose is to promote peace and democracy. This effort is rather similar (though with a much greater private-sector, business and industry focus) to other loose civil society movements such as MCD and Alianza Civica, but appears to be institutionally much less developed, at least at this stage. Vertebra does not appear to have any specific local governance experience or focus, and does not appear to have the capacity that MCD has developed in this area.

All of the organizations listed above (MCD, ACCEDDE, CESEM, COPEVI and Equipo Pueblo) appear to have the necessary technical capacity, or could develop it (MCD's technical capacity has increased substantially as a result of its USAID/Mexico-supported work on local governance, but still needs strengthening, particularly in participatory local planning). Because all of these organizations have coverage limitations (while all but ACCEDDE can work nationally at least in theory, in practice few do because of their small size and limited budgets), it may be necessary to use more than one to achieve the desired diversity and match-up with ICMA selection criteria in selecting pilot municipalities.

It may also be desirable to use more than one institution from other points of view, including achieving greater diversity among the pilot experiences, and contributing to the institutional strengthening of these implementing institutions. Given the very small number of such institutions working in the area of participatory local governance in Mexico (there are fewer such national-level organizations in Mexico than in El Salvador, for example), this in itself would be a very useful contribution to municipal development and participatory local governance.

While MCD is currently less specialized in local governance than CESEM and COPEVI, particularly, it has developed very useful methodologies and materials for organizing and educating citizens and promoting citizen participation. It would be valuable to help solidify the capacity of MCD and its partners in this regard by including them in a more tightly focused and structured activity emphasizing participatory local planning, as described in Section A above. The proposal for continued USAID/Mexico support presented by MCD contains a section on accountability and citizen participation at the municipal level. This section could be redeveloped to focus on a suggested three to five municipalities selected in collaboration with ICMA (the proposal currently specifies selection of at least five municipalities), in areas where MCD has capable local partner organizations. The revised proposal should focus more specifically on developing a participatory local planning and citizen budgetary oversight process, using the COPLADEMUN or other similar mechanisms, in addition to mechanisms such as open council meetings. It should also include development of the necessary manuals and workshops to support this process. The revised proposal should focus on results, and should specifically include performance indicators and targets to facilitate assessment and reporting in terms of results and impacts. USAID/Mexico should consider incorporating MCD, based on MCD's development of such a proposal specific to local governance, within the integrated participatory local governance approach we have proposed, which could be done through the proposed sub-grant mechanism.

Finally, as mentioned earlier, it may be worth exploring an alternative approach, in addition to the bringing together of the ICMA and citizen participation activities, focused on participatory local planning.

This would entail using a single institution to work on both sides of the municipality-citizen equation in a limited set of municipalities, which would constitute another variant on the integrated model we are proposing. CESEM may be the most appropriate institution if this approach is of interest, given its capacity and experience in working with municipal authorities to improve municipal administration and performance, together with its focus on responsiveness to the citizenry.

As indicated in section A, the use of an overall management entity, which could handle NGO grants and provide technical assistance, will facilitate development of the necessary technical capacity when required by NGOs, as well as the incorporation of additional NGOs without increasing the USAID/Mexico management burden. Such an entity could also sub-grant to a local institution, such as FUNDAR, to develop a common framework for documenting the process and results of these experiences, and possibly to participate in the documentation, dissemination and replication process. It might also provide an umbrella for bringing together a broader array of participatory local planning and governance experiences, analyzing results, and disseminating best practices.

During our fieldwork we did not discover any Mexican institutions which might take on the neutral management role, but our exploration was extremely limited due to time constraints, and there may be such institutions. The other possibility, as already noted, is an agreement or contract with a U.S. organization with expertise in this area which could manage sub-grants and provide technical oversight, quality control, and experience-sharing to support the sub-grantees which will directly implement the activities.

With regard to the design of the new citizen participation activity focused on participatory local planning, to complement the existing ICMA activity (or any small-scale integrated activity carried out by a single institution), the foregoing guidelines on content, activities and criteria should be taken into account, but will need to be far more explicitly developed. Since Mexico has an extremely well-qualified group of academics and professionals with experience in the area of participatory local governance, we suggest that a select group of these people, who share the basic concept of the integrated approach and focus on participatory local planning we are proposing, be involved in the design process, to ensure that it is as technically strong and as appropriate to the widely varying conditions in Mexico as possible.

C.   Budget Implications

The programming options suggested above were made in the context of the currently anticipated level of funding for the Local Governance Program by USAID/Mexico for the next two years. This section briefly considers those budget implications as well as possibilities if funding were to be increased.

1.   Program Priorities in the Next Two Years

The currently anticipated level of funding for the next two years covers the recently extended ICMA Cooperative Agreement as well as approximately $200,000 to $300,000 per year which is yet to be programmed, and which could be used to implement a new citizen participation activity to be carried out in collaboration with the ICMA activity under the proposed integrated approach. The extension period has a similar level of funding as that from 1997-2000. Based on the previous analysis, suggested relative emphases are indicated in Table 2, a table that needs to be interpreted with care.

Table 2. **Suggested Emphases in the 2001-2002 period of the USAID/Mexico Local Governance Program to enhance citizen participation, compared to those in the initial 1997-2000 period**

PROGRAM ELEMENTS	SUGGESTED RELATIVE EMPHASES FOR 2001-2002
A. Three steps in the proposed Integrated Participatory Local Governance Model:	
1. Generating successful local citizen participation and municipal strengthening practices	MAINTAIN
2. Documenting Practices and Experiences	INCREASE
3. Dissemination and Replication	GREATLY INCREASE
Strengthening Municipal Associations	REDUCE
Municipal Policy Reform	MAINTAIN OR REDUCE
Other Elements	[REVIEW CAREFULLY]

To pursue the recommended Integrated Local Governance Model it is suggested that the Local Governance Program of USAID-Mexico continue to generate successful practices and to increase the effort devoted to documentation and replication. Such activities help justify the significant costs of generating successful practices in the pilot municipalities and help make USAID/Mexico's overall Local Governance Program cost effective.

The extended USAID/ICMA Cooperative Agreement includes the continuation of the Resource Cities Program, which would generate additional successful practices. The extended Cooperative Agreement also includes the continuation and perhaps expansion of the Information Dissemination component. But more Information Dissemination may be needed, as suggested in the previous section on the Reinforcement of the Pilot States Approach. Given that funding in the next two years is not currently anticipated to increase significantly, the emphases on documentation and replication implies that less technical assistance resources would be available on a collective basis for the remaining major elements of the Local Governance Program (items B, C, and D in Table 2).

Recognizing the obstacles in the path of impact at the national level, it is suggested that fewer activities and resources be directed at the national level toward strengthening municipal associations. While national activities have their justifications and are all interrelated in the great municipal scheme of things, there is danger of spreading the program too thin. Some resources may be kept available early in the Fox administration, however, in case there is a request for assistance. If the request were a large one, USAID/Mexico might have to seek additional funding from AID/Washington or seek a partnership with another international donor, such as the Interamerican Development Bank.

In interpreting Table 2, it is important to note that some activities can contribute to more than one Program Element. For example, if ICMA provides training on successful practices through a national municipal association, it could both strengthen the association as well as promote replication. Similarly, carefully crafted and well documented ethics and transparency activities could contribute to the Integrated Participatory Local Governance Model as well as to the Ethics and Transparency in Democratic Local Government component of the extended USAID/ICMA Cooperative Agreement.

In short, it is suggested that the Local Governance Program devote the necessary resources to achieving replication of the Integrated Participatory Local Governance Model and be selective on the other program elements, seeking synergy with the Model where possible.

2.   Other Opportunities

If funding were increased in the next two years, more of course could be done. Additional municipalities could be funded in additional Pilot States. More effort could be put into the national level, focusing perhaps on areas such as the following, which already would have some relationship to the program:

- Linking the transparency of municipal finance and citizen participation at the municipal level to national efforts to reduce corruption and improve ethics in government.

- Linking participatory (community-based) planning and municipal budgeting to national efforts to achieve more impacts with national funds (Ramo 33, for example) transferred to the state and local levels.

- Linking provision of municipal potable water, wastewater, and solid waste services to environmental projects (such as the maintaining water quality in Chetumal, Quintana Roo).

- Building on assistance to the Fox Transition Team already made available by the program through ICMA, the Fox administration may request further assistance from the Mission in selected areas.

Finally, if additional funding were to become available after 2002, then more impacts at local, state, and national levels could be garnered. More time and resources would create opportunities for linkages among the municipal, state, and national levels. As citizen participation became more common in Mexico, democracy at all levels would benefit.

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ANNEX I – SCOPE OF WORK

G/DG Analytical Services IQC

Limited Scope Assessment of Civil Society Participation in Local Governance and
Recommendations for Future Programming
USAID/Mexico Democracy and Governance Program

I. Background

Much of the impulse toward the increased political competition and increased government responsiveness to citizen participation now witnessed in Mexico was first manifested at the local level, where Mexico's strong tradition of citizen organizing pressured first for change, and where opposition parties were able to secure their first electoral victories against the then-ruling party.

Because of their historically limited power, both state and municipal governments are generally hindered by a lack of administrative capacity. There is little continuity from one local administration to another, no institutional memory, and only recently an emphasis on the appointment of officials based on their functional competence. For decades, the combined lack of resources and lack of administrative capacity has made it difficult for local governments to meet the growing challenges they face. Citizen demands were not met by municipal government institutions.

Recent Developments, New Opportunities

In early 1996, now-outgoing President Ernesto Zedillo announced a "New Federalism" for Mexico, a program to promote enhanced power for states and municipalities. He has also provided municipalities with some additional resources, increasing the direct transfer of federal funds to municipalities. In December of 1999, a series of reforms were passed by the Federal Congress to Article 115 of the Constitution, the section focusing on municipalities, conferring several new authorities on municipal governments and providing new legal bases for some aspects of their functioning.

Whereas civil society pressure was first focused on issues of electoral fairness and transparency following the alleged 1988 election fraud, a series of major electoral reforms enacted throughout the first half of the 1990s enabled many CSOs to shift their focus towards promoting greater government responsiveness and accountability. The challenge CSOs now face is to increase their capacity to directly influence their governments through effective articulation of demands and collaborative relations with changing and reformed institutions.

Electoral wins increasingly depend on candidates' and parties' potential to show results; the need for city administrators to improve their management capacity and deliver better services now cuts across party lines. This trend has fueled a multi-partisan municipal development movement which continues to 1) advocate for further devolution of authorities and resources from the federal to state and local levels and 2) work directly with governments and citizens' groups to improve their performance and 3) conduct research and investigation. This movement is catalyzed by parties, municipal associations, academic and research institution experts, and a number of CSOs dedicated to carrying out training and information dissemination to improve municipal administration in the area of services delivery, economic development, and promotion of social well-being with the participation of the citizenry. In Mexico's current decentralization and local government competitiveness contexts, there may be opportunities for donors to expand the nature of civil society participation beyond more traditional CSO advocacy-- additional sectors such as local business, universities and other professionals can and should be brought into dialogue with strengthened citizens' organizations and government to explore opportunities for

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participation of varied local actors the areas of services delivery, local government decision-making, economic development, and promotion of overall social well-being.

II. Current Mission Initiatives

USAID/Mexico's Democracy and Governance Program is currently implementing activities in three areas defined by the Mission's 1999-2003 Democracy Strategic Objective of "More democratic processes adopted in key government institutions". Three Intermediate Results contribute to this SO: 1) More effective local governance, 2) Permanent structures strengthened to enhance Congress' legislative function , and 3) More efficient administration of justice in target courts. The local governance IR includes two sub-IRs which guide Mission programming, 1) Increased municipal capacity to deliver services and 2) Mechanisms for citizen participation developed.

The municipal governance component of the Democracy Strategy assumes that where there are municipalities with 1) the capacity to manage greater fiscal decentralization, 2) active and influential citizen engagement, and 3) stronger horizontal linkages with other municipalities, a pressure for greater decentralization will be created that cannot be ignored by the federal level. The hypothesis also assumes that sufficient Mexican resources and political will exist to replicate models and best practices at the SO level without significant additional USAID funds. The recent presidential victory of the opposition will likely catalyze federal initiatives to further decentralize authority and resources; the need to strengthen local government capacity and responsiveness will only increase.

The Strategy seeks to contribute to the consolidation and sustainability of reforms by supporting existing Mexican government and civil society initiatives. Due to the sheer size and reach of Mexico's government institutions, the SO will be achieved by means of replication without significant additional USAID resources: developing and testing models at pilot sites, and consolidating mechanisms for replication and deposit of expertise within strengthened, capable Mexican institutions in the out-years.

Funds designated for local governance activities are currently expended through two broad mechanisms: 1) a Cooperative Agreement with the International City/County Management Association (ICMA) which is providing technical assistance directly to a pilot group of municipal governments and partnering with and strengthening municipal associations, and 2) assistance through direct grants to two Mexican CSOs to support citizens' groups in the development of mechanisms for increased and more effective citizen participation in local government decision-making.

Based on Mission assessment of the results achieved by ICMA to date, USAID/Mexico intends to approve a two-year extension of activities to the ICMA Cooperative Agreement (to begin October 1, 2000). This Agreement will support the replication in other areas of Mexico the best practices for municipal management developed and tested during the three year pilot stage of the project. The bulk of available local governance funds during the remainder of the Mission's Democracy Strategy will thus be used to continue support to ICMA.

At the same time, the three-year agreements with the two local CSO recipients will expire during the early months of 2001. Funds now dedicated to current awards will become available for new or follow-on activities.

III. Purpose of This Assessment

The purpose of this assessment will be to 1) evaluate progress to date in the achievement of local governance results by all Local Governance IR 1 partners, particularly in the area of effective citizen participation in local governance and 2) to make recommendations for further programming to respond to

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identified needs in this area. Funds available for any new programming recommended will not exceed an estimated $300,000 per fiscal year.

Given the results achieved by the Mission's continuing local governance activities, the consultant(s) will work with the Democracy Team to determine the best use of this small amount of additional local governance funds to support IR and SO achievement. The Mission's initial assumption is that these funds will continue to support activities to increase and improve the effectiveness of citizen/civil society participation in local governance decision-making, via activities identified by the consultants, but the assessment itself will evaluate this supposition.

The consultant(s), should, at a minimum, review and comment on the following areas:

1. Review and evaluate the Mission's current local governance sector citizen participation/civil society support activities and provide feedback on their strengths, weaknesses and results achievements to date, within the context of the DG Strategy, the additional local government capacity building activities currently implemented by ICMA, and the current status of Mexico's decentralization.

2. Review and assess other CSO and other relevant local governance activities (non-USAID supported), including other donors' programs and their link to current or future USAID/Mexico local governance efforts.

3. Review Mexico's overall decentralization, local governance, citizen participation and reform contexts, including potential scenarios under the incoming Administration and Congress.

4. Based on the review of results achievement to date and the Mexican local governance and citizen participation contexts, assess the relative value of new or follow-on LG activities in addition to those currently implemented by ICMA for IR and SO achievement. Particular emphasis should be put on assessing the value of activities supporting effective citizen participation in local governance, although other areas could be considered (municipal finance, public-private partnerships, community planning, community development boards, etc.).

5. Identify priority areas or sectors for USAID/Mexico implementation of new activities for IR/SO achievement

6. Within the context of the above reviews, recommend new programming actions, including potential partners, mechanisms and budget levels.

IV. Detailed Statement of Work

The Contractor shall perform the following steps:

1. **Form an Assessment Team:** The contractor should provide a consultant team composed of two senior level program development/implementation specialists. USAID/Mexico expects that the principal team member and assessment author will have particular expertise in the area of civil society, but the contractor may propose alternatives. The composition of the team will include the following skill mix:

    a) Experience and expertise in design and implementation of municipal governance program objectives, including monitoring and evaluation frameworks, knowledge of municipal assistance best practices, key ingredients for success as well as common obstacles,

b) Field research experience, specialized expertise and analytical skills in assessment of conditions for effective decentralization, municipal governance, and organized civil society/citizen participation in local governance,

c) Substantial experience in working to strengthen the effectiveness of civil society initiatives to collaborate and participate in governance, particularly at the municipal level,

d) Knowledge of and experience with USAID municipal governance and citizen participation/CSO assistance in the LAC region,

e) Extensive knowledge and strong understanding of recent developments in Mexico, Latin America and other parts of the world in the areas of municipal service delivery capacity, civil society organizations and citizens as participants in governance, decentralization, municipal development, community planning, municipal finance,

f) Strong understanding of past and present Mexican governmental and non-governmental political traditions and political and cultural contexts in which the USAID/Mexico programs operate. Strong awareness of and ability to work within the limits created by political sensitivities in the U.S.-Mexico bilateral relationship.

2. **Review of documentation:** Review reports and publications of existing USAID/Mexico LG activities. Review any literature, as appropriate, on decentralization and municipal governance in Mexico. This documentation will be provided by the Mission before the consultants' travel to Mexico.

3. **Draft a Work Plan for the Assessment:** With input from the Mission CTO for this activity and the DG team, the team will draft a work plan and a tentative schedule of meetings and present to the CTO upon arrival in-country. USAID/Mexico will provide an initial list of in-country contacts prior to team arrival.

4. **U.S.-Based Information Collection:** Interview USAID/LAC and USAID/DG officials on Agency decentralization and municipal governance and citizen participation support generally, and Mexico specifically, in addition to any other Washington-based experts if appropriate.

5. **In-Country Information Collection and Analysis**: Interview Mission Democracy Strategic Objective Team, Mission Director and Deputy Director, and Mission Environment Strategic Objective Team, in order to understand the context of Local Governance Support within the overall Democracy Strategic Objective and Mission 1999-2003 Strategy. Interview a selection of other public and private donors supporting municipal governance activities in Mexico. Interview current recipients of Mission local governance funding and beneficiaries of recipient activities. Interview a politically plural sample of CSOs and other institutions working in the municipal sector, GOM municipal development institutions as appropriate, Mexican academics and other experts, as recommended by the SO Team and other donors and experts. Site visits to existing Mission funding recipients, and other sites as defined by the assessment CTO/DG Team and consultants during the visit.

6. **Prepare an assessment report:** This report will fully document findings and conclusions, and will provide extensive recommendations for appropriate and effective USG assistance in the Local Governance sector.

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ANNEX II – LIST OF INTERVIEWS

Mexico City

Mario Rivera, *Alianza Vallesana, MCD Affiliate Organization*
Octavio Acosta Arévalo, *Asociación de Autoridades Locales de México, A.C. (AALMAC)*
Oscar Vega Marín, *Asociación Mexicana de Municipios, A.C. (AMMAC)*
Luís Suárez, *Inter-American Development Bank (IDB)*Maria Luisa Herrasti Aguirre, *Centro de Servicios Municipales Heriberto Jara, A.C. (CESEM)*
Marco Anibal Cantú Elizondo, *Centro Nacional de Desarrollo Municipal, Gobierno de México (CEDEMUN)*
Alejandro Luevano, Herbert Sánchez Olivera, *Centro Operacional de Vivienda y Poblamiento, A.C.* (COPEVI)
Tonatiuh Guillén, *Colegio de la Frontera Norte, Tijuana*
Eduardo Júarez, Municipal Planning Consultant
Luis Pineda, , *Equipo Pueblo*
Kimberli Brown, *Ford Foundation*
Carlos Gadsden, *Fox Transition Team, Federalismo/Decentralización*
Emilio Zebadua, *Instituto Federal Electoral (IFE)*
Claudia Vinay, Christian Roll and Briseida Lavielle, *FUNDAR*
Luz Rosales Esteva, Miguel Ortega and other staff members, *Movimiento Ciudadano por la Democracia*, A.C. (MCD)
Ann McDonald, Jene Thomas, and Jill Pike, *USAID/Mexico*
Brian Nichols, Deputy Counselor, *U.S. Embassy Mexico, Political Section*
Alicia Ziccardi, *Instituto de Investigaciones Sociales,UNAM*
Martín Lopez Beltran, *Vertebra*

State of Jalisco

Ignacio González and other staff members, *Acción Ciudadana para la Educación, la Democracia, y el Desarrollo*, A.C. (ACCEDDE) Guadalajara
José Antonio Cabello, Former Director, *Dirección de Desarrollo Municipal, State of Jalisco*
Sergio Padilla Valle, Municipal Vice President; Mario A. Montanez Corona, Licensing and Economic Development; and Sra. Riva, Municipal Treasurer , *Municipality of Ocotlán*, Ocotlán
José Luis Rubio García, Mayor, *Muncipality of Cuquio*José Luís Cuellar Garza, Councilman,, *Municipality of Guadalajara*,
Ramón Valencia Quezada, Treasurer, *Municipality of Zapotlanejo*ZapotlanejoOctavio Chavez, Chief of Party, *International City/County Management Association (ICMA)*, Guadalajara
Miguel Bazdresch, *ITESO*, Guadalajara

United States

Armand Peschard-Sverdrup, *Center for Strategic and International Studies (CSIS)*, Washington, D.C.
Mark Bidus and Isabelle Bully-Omictin, *International City/County Management Association (ICMA)*, Washington, D.C.
Sally Yudelman, *International Center for Research on Women (ICRW),* Washington, D.C.
Chris Sabatini, *National Endowment for Democracy (NED)*, Washington, D.C.
John Sanbrailo and Anita Winsor, *Pan American Development Foundation(PADF)*, Washington, D.C.
Paul Fritz, *USAID/LAC/RSD-DHR*, Washington, D.C.
Margaret Sarles, *USAID/LAC/RSD-DHR*, Washington, D.C. (by telephone)
Eric Olson, *Washington Office on Latin America(WOLA)*, Washington, D.C.

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ANNEX IV - TECHNICAL NOTE NO. 12
MANAGING POLICY REFORM: THE IMPLEMENTATION TASK FRAMEWORK

By Benjamin L. Crosby

1. Introduction:

Managing the implementation of a new policy can perhaps best be characterized as not so much a "what to do" problem, but rather as a "how to do it" problem. However, when thinking about changing policies, i.e., changing the way things are done or how resources are distributed – the phrase that most readily comes to mind is "easier said than done". With the exception of relatively simple "stroke of the pen" reforms such as exchange rate devaluation or elimination of certain trade restrictions, policy change usually involves major, fundamental differences in how needs and problems are addressed. Managing new policies presents myriad challenges – changes in roles, severe institutional constraints, new patterns of interactions with other agencies, new demands on the part of new clients, and often merciless pressure to show results in unrealistically short periods of time. The difficulties inherent in certain changes may cause the implementation process to be prolonged over several years, disrupted by changes in government or the ebb and flow of critical resources.

Though a truism to say that policy change is complex, therein lies one of the major challenges.   Fully understanding the nature and implications of the implementation process can be daunting.   Policy implementation managers may fail to grasp the full dimension of the changes that need to be accomplished or be unable to fully understand what needs to be done and when. Clearly, attention to organization of the implementation task through a better understanding of how the policy process is organized and how it functions lies at the heart of a successful policy reform effort.

This Technical Note explores the organization of the implementation process. It first examines the nature of policy implementation, what makes it different, and some of the factors that increase the difficulty of the process. To describe how the implementation process is organized, the Note then presents IPC's policy implementation task framework.   The task framework considers the reform process from the developing country policy manager's perspective and identifies the key challenges to be faced. The framework divides the policy process into discrete tasks that can then be addressed systematically. To conclude, the Note briefly discusses how implementation tasks can be managed strategically.

2.   What makes policy change difficult?

There are   several characteristics of policy change that both make it difficult and which present major implications for implementation. First, *the stimulus for policy change has more often than not come from the outside* as intractable economic crises have forced governments to seek external assistance. In exchange for assistance or loans, donor agencies or international financial institutions (IFIs) may require substantial changes in the economic policy framework and/or, increasingly, in other policy areas such as the environment and governance. These changes frequently represent dramatic departure from the country's normal policies and practices. Negotiation of reforms may take place among a narrow set of actors with conditions agreed to reluctantly, raising questions of ownership and the need to generate real demand for the changes proposed.

Second, *policy change decisions are highly political.* Policy change is politics, it addresses fundamental questions of what is to be done, how it is to be done, and how benefits are distributed. When change occurs, relationships at various levels and between stakeholders will be shifted. There will be winners and losers -- but the losers may be deeply entrenched and often in a position to exercise strong and effective opposition). New policies may not even be considered "legitimate" by certain powerful constituencies. The existence of

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powerfully entrenched opposition helps explain why it is often so difficult to get policy change processes moving.

Third, while politicians have the lead role in the initiation of policy change, *those most actively involved in the formulation of the policy changes are technocrats*. But technocrats generally operate under different decisional criteria than either the political or administrative leadership. While the politician takes care to balance his constituencies, the technocrat is concerned with maximizing output and rationalizing scarce resources. Political trade-offs are generally not factors in the technocrat's policy formulation equation. Getting the technocrat to think about losers, opposition and their potential impact at the next election is not a simple matter.

Fourth, *reform-minded policy decision-makers are frequently new to government and unfamiliar with the environment for policy implementation*. With neither established routines nor entrenched interests, reformers may be quite effective at the outset of the new government. However, they are also very likely to fall prey to the pitfalls and diversionary tactics of the administrative bureaucracy. The more administratively intense or complex the policy, the more important the need for a keen understanding of the administrative system and how to manage it in order to have significant impact. Veteran developing country bureaucrats know that reformers can be worn down, and even if they can't, the reformer will likely be around for only a very few years.

Fifth, in most cases *resources needed to carry out policy change either do not exist or are in the wrong place*. Budget resources are not free goods, they are the product of understandings and arrangements arrived at over considerable negotiation and commitment of interested and often powerful actors. Resources can be reallocated, but only with the consent of those with prior interest; without such consent, consequences can be drastic. The difficulty of reallocation illustrates the critical role of external resources for initiating the policy change process both as a catalyst and for buying time to negotiate the reallocation of the budget.

Finally, *policy change requires that government organizations adapt and modify to new tasks.* Changes in government organizations can be made but often with only great reluctance and wrenching difficulty. It should not be assumed that existing organizations are not performing important tasks, or that they have considerable idle capacity. What the organization does and what it produces is the product of understandings and commitments among interested parties about what and whose needs should be satisfied. Procedures, routines, and organizational culture are built and become institutionalized around such understandings -- while changes can be instituted, the process is neither simple nor quick.

Given the complexity and characteristics of the policy change process, what is the official supposed to do to implement a policy change? Understanding more about the actual nature of implementing policy and the nature of the tasks involved in policy implementation should help the official develop more adequate or more appropriate strategies for implementing complex policies.

3. Policy implementation is NOT project implementation.

It may be tempting to equate the policy implementation process with more familiar project or program implementation processes. However, polices are neither projects nor programs. Indeed, the relative inattention to the "how to" of policy implementation may reflect a lack of appreciation of its difficulty and how different it is from either program or project implementation. As the earlier discussion reveals, there are some important features of the policy change process that clearly distinguish it from either project or program implementation. These combine to make policy implementation both more complex and difficult, challenging even the most experienced public managers. The most significant differences are:
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- Policy implementation is not a linear, coherent process. Programs and projects have beginnings, middles, and ends, there are specific time-lines, targets and objectives are generally specified for each

phase, and plans and actions defined to reach those targets. But policy implementation is often multi-directional, fragmented, frequently interrupted, unpredictable, and very long-term. How to sequence actions, what to pay attention to, and who to include can be hard to determine, and can vary significantly over the life of the policy change process.
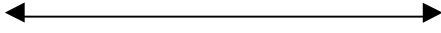
- No single agency can manage the policy implementation effort. Projects and programs have project managers or chiefs or program heads. Whether part of larger agency or independent, one usually knows who's in charge. But most cases, policy implementation requires the concerted actions of multiple agencies and groups. Authority and responsibility are dispersed among the actors involved, which means that traditional command-and-control management is rarely applicable – so that even if there is nominally a lead agency, in reality no individual entity is "in charge".

- Policy implementation creates winners and losers. Projects and programs provide benefits to those they affect. When policies change there will be new beneficiaries, but groups that gained under the previous policy will begin to suffer losses or be placed at a serious disadvantage. What complicates policy implementation is that the losers are usually in a much more powerful position to defend their interests, oppose, and resist change than those who stand to gain.

- New policies generally do not come with budgets. Programs and projects have budgets. Were it otherwise they would not exist. Policies however, particularly at the start of the reform process, rarely have more than the promise of resources. Making progress means lobbying for new funds, identifying existing sources of implementation support, and negotiating for resource reallocation. All of these efforts are subject to the vagaries of the budget process and shifting political winds.

Policy implementation is much like an assembly process – it is a process of putting together pieces from different sources, with perhaps rather different objectives than those originally intended, and then reshaping those pieces into a mechanism capable of producing the results intended. Resources required to implement the policy may be under the control of others – with as much or more authority as the policy implementation manager -- uninterested or even opposed that policy's implementation. Policy managers/implementors are rarely "in charge" in the normal sense of the phrase. Instead, they are better characterized as a coordinators, brokers, or facilitators: changes in priorities and objectives need to be facilitated, differences of opinion between equally interested or affected stakeholders must be brokered, and actions to accomplish the new objectives need to be coordinated. It thus should come as no surprise that actual outcomes of policy change are frequently unlike those originally intended.

4. Policy implementation as a set of tasks

The literature on policy implementation deals mostly with issues related to the content of the policy, its political support or compliance. Unfortunately, it has little to say about HOW to implement policy. The literature on project and program is more helpful. Brinkerhoff, in *Improving Development Program Performance* (1991), suggests a model in which project and program implementation are characterized along a continuum of component managerial tasks, distinguishing between project tasks, which are largely operational (internal administration, employee supervision, input monitoring, technical production), and program tasks which are more strategic in nature (long-term planning, developing strong organizational culture, managing organization interdependencies). While policy implementation is not specifically dealt with, it actually appears to be another dimension of that continuum. Figure One modifies Brinkerhoff's framework, and visualizes policy implementation as the third or polar dimension of the continuum and which includes the following tasks: *Policy Legitimization, Constituency Building, Resource Accumulation, Organizational Design and Modification, Mobilizing Resources and Actions,* and *Monitoring Impact.*

Table One:
A Continuum of Implementation Task Functions

Policy Implementation	**Program Implementation**	**Project Implementation**
(emphasis on strategic tasks)	←————————→	(emphasis on operating tasks)
- Legitimization - Constituency Building - Resource Accumulation - Organizational Design and Modification - Mobilizing Resources and Actions - Monitoring Impact	- Program Design - Capacity Building for Implementors - Collaboration with Multiple Groups and Organizations - Expanding Resources and Support - Proactive Leadership	- Clear Objectives - Defined Roles and Responsibilities - Plans/schedules - Rewards and Sanctions - Feedback/adaptation Mechanisms

Unlike either program or project implementation, policy implementation tasks are all strategic. And each may be viewed as requisite "first steps" in either program or project implementation. In both program and project implementation, a pre-existing policy is at least implicit -- it is from that policy that the project or program is derived. Projects and programs assume that the underlying policy is considered legitimate, that a constituency that wants and supports the policy exists, and that resources have already been assigned. Without that minimum base, implementation of the project or program would be impossible. However, in the case of policy implementation, all these elements have to be won. Let us then, examine more carefully the tasks involved in policy implementation.

(a) Policy legitimization

Before anything else can happen, the proposed policy must be viewed as legitimate by key decision makers. To acquire legitimacy, some individual, group, or organization must assert that the proposed policy reform is necessary, vital, and must be accepted though it will present serious cost and sacrifice. Legitimization involves the emergence or designation of a policy "champion," someone or group with credibility, political resources, and the willingness to risk that political capital in support of the policy. Since policy change is often externally generated, it is vital that the policy be internally legitimized in order that the host country develop a sense of ownership for the change. Because new policies represent significant breaks from tradition and will require shifts in attitudes and actions, it is important that the "legitimizer" or policy "champion" state that the new policy actually represents the preferred behavior, that the policy is considered valid and desirable. The more difficult or contentious the policy, or the more it departs from past practice, the more important will be the legitimization function.

(b) Constituency building

Since support for new policy is rarely sufficient, an adequate constituency for the reform must be developed; the reform must be marketed and promoted. Constituents are the winners in the policy change process; they are positive stakeholders who will lend the force of support to the policy champion. Constituency building complements and amplifies the legitimization process (Kahler, 1989). It aims not only at gaining acceptance but also at operationalizing the change by creating a new set of beneficiaries. Constituency building creates and mobilizes *positive* stakeholders in favor of the new policy. And once the constituency has a stake, it will be more likely to mobilize to defend its interests in the change. Putting together a constituency at the outset is a difficult task. Since the benefits of policy change are mostly felt in the long run, a certain amount of faith on the part of the new constituents will be necessary. In the meantime, losers will seek to restore the status

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quo.   Although support is vital, not just any support will do -- the proposed policy change must have the support of key stakeholders; not all of them, but enough to assure that the change can be effected.

(c) Resource accumulation

To implement a new policy, human, technical, and financial resources must be set aside. The task of resource accumulation means both securing initial funding and assuring the policy a place in the government's budget allocation process. The inability of governments to redistribute resources to new priorities is frequently the cause of program or project shutdowns once donor resources have been exhausted. The problem of lack of sufficient resources for implementing policy change is difficult to overstate. Frequently, the agency charged with implementing new policy is severely resource deficient or worse, an empty shell.   In an era of operational budget austerity and greater competition for dwindling capital budgets, room for taking on new tasks is extremely limited. Many countries also suffer from a scarcity of skilled human resources. Not only do they lack skills required for new policies, but in certain cases, the pool of talent that might easily acquire those skills has been depleted through war, repression, disease, and emigration.

(d) Organizational design and modification

The introduction of new tasks and objectives accompanying policy reform, will likely cause modifications in the implementing organization(s). However, re-design or modification of an organization is not simple. First, because of the existence of entrenched procedures and routines, there is frequently resistance to making changes in either the tasks or the structure of the established organization. Second, many organizational and management tasks called for by reforms may be substantially different than current ones and lacking in the implementing organization.

With significant policy change, an agency's organization can be affected in at least three major dimensions: first, the organization may be affected internally regarding what the agency does and how it goes about those tasks.   Re-organizations and modification of tasks will cause many of the organization's structural components to be superseded by new units and departments. Second, since policy reform cuts across organizational and functional boundaries, implementing organizations will need to pay more attention to the external environment and the organization's external stakeholders, both for reasons of securing resources and tensions arising from turf issues. Third, increased communication with other agencies will be necessary to ensure that enabling or sub-policies vital to implementation of the agency's tasks are generated.   Since successful actions by one agency may depend on the implementation of complementary actions by other agencies there likely will be greater need for sharing information and resources, and more concerted coordination.

Re-tooling organizations is difficult. Most organizations have well established routines and systems, and may see little reason for change. New ideas, structures, or methods may be ignored or modified to adapt to systems already in place. Because of these problems, it may be easier and politically more feasible to create new structures rather than overhaul older ones. But this can be quite costly if the existing organization remains untouched. Officials in the older structure understand the budgeting, procurement, financial, and personnel systems of government and likely have their own political networks. Dislodging or eliminating such structures may prove to be an imposing task, and cause the new organization either to be superimposed on or parallel the older one rather than replace it.

(e) Mobilizing resources and actions

Even if the agency has all the needed resources, there is no guarantee that the agency will actually carry out the assigned policy change -- behavior must change, and actions must be taken that reflect the new policy. Until resources are mobilized, policy change is mostly theoretical; but mobilization defines the change and

its impact in terms of resource/benefit addition or subtraction, causing some to win and others to lose. Mobilization of resources for policy change is a set of action statements about how, when, where, and by whom resources are to be utilized. Programs will need to be designated, projects designed, action strategies identified and then put into place. Unless compelling reasons and incentives are given, implementing agency(s) will probably resist the mandated changes; thus, strategies must be developed to overcome that resistance. New incentives may have to be created to induce the organization to adopt new modes and practices required by the policy change. If the new policies are implemented alongside the agency's traditional activities, those in charge will need to be alert to attempts to siphon off resources for other activities.

(f) Monitoring the impact of policy change

It is important to ascertain what effect policy change is having -- and thereby be able to correct or adjust the policy should it happen to produce negative or unsatisfactory results. Ideally, such monitoring or evaluation should begin fairly early on so as to be able to cut an errant strategy before losses or negative impact becomes to costly or damaging. Monitoring policy change requires both mechanisms for periodic review and evaluation and mechanisms capable of tracking policies over and among multiple agencies over several years. The interaction of policy change among agencies is not always obvious. Impact in one agency's behaviors and outputs may come relatively rapidly and clearly, while in another it may be much slower and diaphanous, perhaps caused by the nature of the policy or perhaps by a lack of resources at critical stages...but with the overall effect of complicating the construction of manageable monitoring indicators. The question of who monitors the overall policy is also problematic. While a given agency can monitor the impact of its own policy change actions, it is less obvious who will be responsible for tracking cumulative policy impact over several agencies.

5. Managerial uses of the task framework:

The policy manager should find the implementation task framework useful for a number of purposes. First, it can help the manager assess where the policy implementation process stands at a given point and provide a more accurate view as to what steps to take next and how long the process might take to accomplish. For instance, has the task of building an adequate support constituency been sufficiently completed so that the policy manager can begin to think about how to use that support for obtaining needed resources? If not then how much longer will the process take? Second, the task framework may be used as a diagnostic instrument for pinpointing potential or existing trouble spots, problems, and roadblocks facing the policy reform effort. If policy implementors are encountering difficulties in obtaining resources for implementation it may signal that insufficient attention was paid to developing a committed support base among key stakeholders such as political party officials, financial committees in Congress, or budget authorities.

Third, the task framework can be of considerable assistance in mapping out implementation strategies.. As should be clear from the earlier discussion, any one of the tasks may involve substantial will, effort, and resources to accomplish -- and may take many years to complete. But the development of implementation strategies to be carried out over several years and that transcend several administrations is particularly challenging, especially given the short-term nature of most governments. The task framework can help indicate to the policy manager which areas are most crucial to the sustainability of a reform effort, and those needing most attention to assure that the reform will not evaporate with a change of government.

TABLE TWO
IMPLEMENTATION TASKS, STRATEGIES, MECHANISMS

Implementation Task	Task Implementation Strategies	TASK IMPLEMENTATION MECHANISMS AND TOOLS
Creating Legitimacy	-Raising awareness, questioning the status quo -Identifying policy reform champions -Creating new forums for policy discussion -Creation of bridging mechanisms -Developing convening authority	-Policy dialogue workshops -Public-private forums -Stakeholder workshops -Task forces -Blue ribbon committees
Building Constituencies	-Supporting policy champions -Identifying and mobilizing key stakeholders -Marketing, bargaining, and building coalitions -Dealing with realities of opposition -Mobilization of under-organized stakeholders or beneficiaries	-Stakeholder analysis -Political mapping -Policy network analysis and mapping -Lobbying and advocacy -Negotiated rule making -Association development
Accumulating Resources	-Identifying and obtaining seed and bridge financing from internal/external sources -Negotiating with Finance and Budget authorities for a larger share of resources -Development of partnerships/ exchange with other Ministers -Creation and installation of new capacities -Upgrading human resources	-Lobbying with external donors -Public finance reviews -Transparent, accessible budget processes -Lobbying/ bargaining with other Ministries – policy network analysis -Identifying new skills. Developing training programs for new skills.
Modifying Organizational Structures	-Fitting new missions to old organizations or creating new organizations -Building implementation capacity -Developing boundary spanning links -Fostering networks and partnerships -Enhancing cooperation and coordination among implementing agencies	-Organizational diagnostics, SWOT -Organizational re-tooling, reengineering -Creation of ad hoc task forces and cross-ministerial commissions -Policy coordination, management units -Public-private partnerships
Mobilizing Resources and Actions	-Developing concrete plans, performance expectations, and accountability. Creating and carrying out do-able activities -Identifying, creating, and/or altering incentives -Dealing with resistance and conflict -Governing the coalition and achieving compliance -Recognizing the importance of and mobilizing actions for early success. -Communicating success stories	-Creation and implementation of participatory planning processes -Joint problem solving workshops -Utilization of multi-party action plans -Innovative dispute resolution mechanisms -Creation of rewards system for performance and sanctions for under-performance
Monitoring Impact	-Positioning monitoring in the policy and political arenas -Creating and positioning analytic capacity -Linking learning and operations -Establishing realistic performance standards and milestones -Establishing managerial mechanisms for application of lessons learned.	-Cross-agency monitoring units -Citizen oversight panels, public hearings -Regularized performance review for implementing agencies -International monitoring groups -Periodic strategic assessments and review for policy impact

Fourth, the framework's recognition of the sequential nature of implementation tasks or different stages in the implementation process makes it simpler to identify what needs to be done and when. One of the most common problems in policy implementation is the tendency to set overly ambitious targets or to expect that the implementation process will move quickly and smoothly, no doubt owed to the fact that many managers persist in equating policy and project implementation. When a target proves unreachable, for whatever reason, backsliding or increased resistance to the new policy is likely to occur. However, if

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the manager has a solid grasp of the task framework, it is less likely that unrealistic goals will be set for implementation. The manager will have a much better sense of what can be done and what cannot, thus making both the targeting and sequencing of actions more realistic and doable. Another frequent error in policy implementation is placing the cart before the horse. Too often implementation strategies are adopted that assume levels of capability not yet possessed by the implementing agency. New tasks require new skills and probably modified organizations – but both these requirements may take several years to achieve. Proper attention to the task framework and its sequencing will lead the manager to ask the right questions and not make unwarranted assumptions about available human resource capacities or the suitability of a particular organization to carrying out a new policy. For instance, when a policy decision is made to change the focus of a country's health system from clinical care to preventive care, there are major implications for both human resources and organizational design, even though fewer financial resources may be required. It will likely require several years to first break down the resistance of doctors and nurses to abandon their hospitals in favor of small, rural health units and to trade the glamour of surgery for vaccinations. The construction of new infrastructure (particularly in rural areas) to provide easy access will also be required. At the same time, though the emphasis shifts from clinical to preventive, the former system cannot be abandoned altogether, and plans must be made to deal with those parts of the structure that will be unable to adapt to the new system.

Fifth, a good grasp of the tasks to be accomplished along with a solid sense of just when those tasks need to be accomplished can be a valuable aid to the policy implementation manager in the development of more realistic and accurate indicators for monitoring the process. For the most part, it should not be expected that a new policy can be implemented within a relatively short time period. Most policies take several years to realize full implementation and impact – but with a better understanding about what might be expected within a given period of time, better and more realistic indicators can be developed. It might be pointed out that during the implementation "process" indicators will often be considerably more useful than "results" indicators. In other words, while the full benefits of the policy are yet to be achieved, the mechanisms to achieve those results are being put into place.

Table Two illustrates both strategies and mechanisms that might be employed in implementing each of the six tasks. While the Table is not meant to be exhaustive, it is meant to show not only a range of different alternative strategies that might be used to carry out particular tasks but also what sorts of mechanisms and tools can be used to engage those strategies. (Several of the suggested mechanisms and tools are described in IPC Technical Notes 1-10.) As befits the general management approach taken by the implementation task framework, most of the tools and mechanisms concentrate on process, i.e., "how to", rather than "what to".

As has been noted before, any given implementation task may well take several years to accomplish and transcend more than one government. Similarly, the more complicated the policy and the greater the resistance to the new policy, the more likely it will be that multiple strategies will be required. In the case of economic reform policy in Central America, just to create an adequate level of legitimacy (Task One) and to develop a minimum level of acceptability regarding the merits of a market-led economic framework, took several years. During that time nearly all the proposed strategies and implementation mechanisms suggested for the Task of creating legitimacy in Table Two were used. Policy reform champions had to be identified and persuaded of the need for policy change, new public-private forums that by-passed regular venues for discussion of economic policy (such as the Congress, Universities, and business Chamber associations) had to be developed, and bridging mechanisms for coordination created (through the creation of specialized policy promotion agencies). During that period, legitimacy for the new policy grew more rapidly among certain groups than in others. This, however, allowed the process of constituency building to begin among those sensing that new economic policies were needed. Stakeholder analysis and political mapping tools were then used to determine which areas required more support and among which sectors support could be capitalized.

6. Strategically managing the implementation tasks

Policy implementation does not happen in the abstract. It requires the active intervention of policy managers and their organizations. But as noted earlier the process often crosscuts many organizations and thus may require that several actors combine their efforts and consciously and intentionally manage it (Bryson and Crosby 1992). But under these circumstances, what sort of management can be realistically exercised? One answer can be found in the approaches and tools associated with strategic management. Strategic management is outwardly focused. It is designed to assist in managing in times of change, where inputs are unpredictable and change non-linear, when resources are locked up or simply non-existent, where the change process is long term and exposed to changing goals and activities, and when a broader vision of the organization and its fit with the environment is needed. Strategic management helps policy managers and their organizations by directing them to: 1) look out to capture signals of change and transformation, 2) look in to examine how well and with what resources the organization can respond to the changes mandated by the new policies, and 3.) look ahead to ask what comes next and to put into place the resources/measures needed to get there. Getting the right balance among the outward-, inward, and forward-looking functions is the essence of managing the policy process strategically (Brinkerhoff 1991).

Table Three

Activities, Steps, and Tools in the Strategic Management Process

| ACTIVITIES	STRATEGIC MANAGEMENT STEP	STRATEGIC MANAGEMENT TOOLS
DEVELOPING AGREEMENT AND OBJECTIVES	1. Agreement on and initiation of strategic management process 2. Identification and clarification of mission, objectives, and current strategies	- Workshops - Organizational retreats - Task forces - Gap Analysis
Diagnostics and Analysis	3. Assessment of internal strengths and weaknesses of the organization. 4. Assessment of threats and opportunities from the external environment 5. Identification of key constituents, stakeholders and their expectations	- SWOT analysis - Institutional analysis - Political mapping - Force field analysis - Stakeholder analysis - Policy network analysis
Developing Options and Strategies	6. Identification of key strategic issues confronting implementation 7. Design/analysis/selection of strategic options. Design of an action plan.	- Problem solving workshops - Decision scenario analysis - Participatory planning exercises - Dispute resolution - Negotiation, lobbying
Implementing and Monitoring	8. Implementing the strategy and action plan. 9. Monitoring and review of the strategy and action plan's performance	- Coordination - Benchmarking - Performance indicators - Regular strategic review

Strategic management consists of four major activities or elements (see Table Three). These are listed sequentially but in practice they form an iterative, cyclical process with important interactions and feedback among each other.[36]

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[36] See Crosby (1991) for a description of several approaches and steps in the strategic management process.

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- **Agreement and Objectives**: entails identifying what needs to be accomplished, defining short and long-term objectives, and relating them to what the implementing organization needs to do. This may involve restatement of the organization's mission and a re-casting of its objectives. Table Three cites some tools that might be used in addressing this activity.

- **Diagnostics and Analysis:** includes internal analysis of the organization for strengths and weaknesses affecting its capacity to carry out its tasks and external analysis of opportunities and threats from the environment to be faced as it seeks to reach its goals and objectives. Some of the more useful tools here include stakeholder analysis, SWOT analysis, and political mapping.

- **Issues and Strategic Options:** through the review of the diagnostics and analysis, key strategic issues are identified that implementing partners need to address and prioritizes those issues in terms of urgency and magnitude. Alternative strategies and plans are then designed and selected to address the key strategic issues. Useful tools at this stage include problem solving workshops, scenario analysis, and participatory planning.

- **Implementing and Monitoring:** here, plans are put into action, resources and commitments are mobilized, and organizational capacities brought to bear on the task to be implemented. Because factors in the operating environment are in constant flux (e.g., budgets, priority shifts due to changes in personnel), it is important that mechanisms for monitoring and review of the chosen strategies should be put into place, to allow the policy manager to make appropriate and timely adjustments. These mechanisms should also feed back into the analytic, strategy design, and implementation steps in the immediate term, as well as informing the goal-setting step in the longer term.

What, then, does strategically managing the policy implementation process involve? This can be achieved by integrating the strategic management process into the policy implementation cycle as shown in Figure 1. Each of the six implementation tasks can be undertaken from a strategic perspective, balancing their looking-in, looking-out, and looking-ahead dimensions (see Figure 1a). The cumulative effect of taking a strategic perspective is a more effective management of the entire policy cycle.

Figure 1: Strategically Managing Policy Implementation Tasks
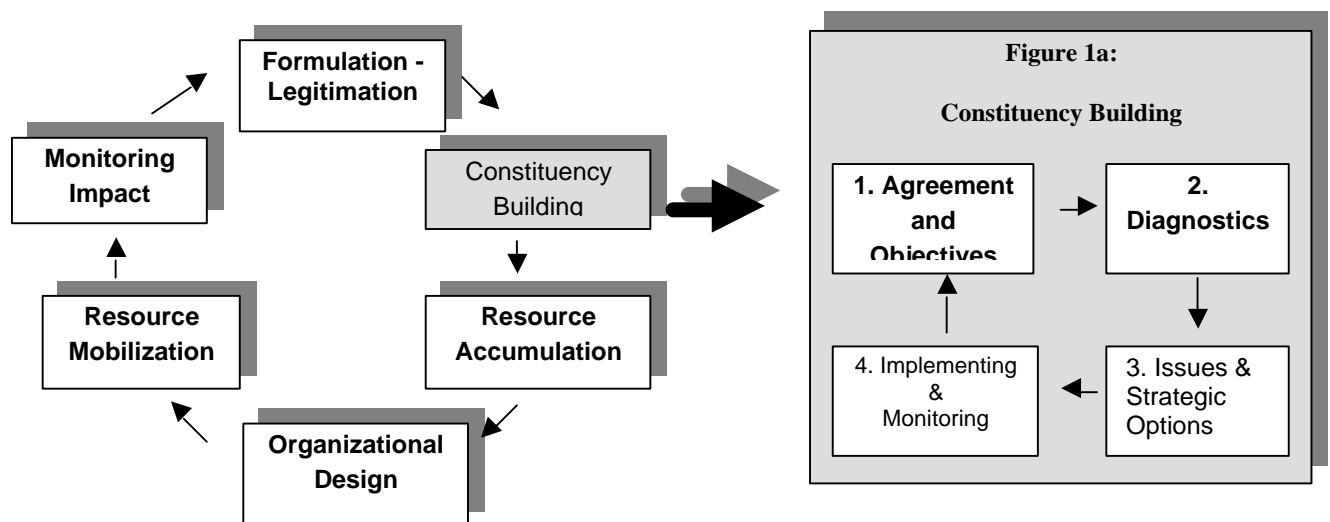
To illustrate how this process might work, consider the problem of building an effective constituency to change a country's health policy from one that centers on clinical or curative approaches to a preventive focus. Since clinical approaches generally imply considerable investment in expensive infrastructure (hospitals, laboratories, teaching facilities, equipment) and strong vested and entrenched interests (medical associations, Universities, equipment suppliers, and the middle class, all of which tend to be located in the principal urban areas of the country) in all likelihood there will be relatively strong opposition to a shift toward preventive health. Initial support for change (mostly from rural areas and heretofore unattended sectors) will undoubtedly be weak, unmobilized, and largely ineffective with respect to influencing decisions on how resources for health are allocated. Thus, one of the first and most indispensable tasks for the implementing organization (e.g., the Ministry of Health or a "task force for reform") will be to build an adequate constituency, a complicated effort that will more than likely take several years to accomplish.

Applying the elements of strategic management, the implementing organizations (IO) first need to develop agreements and set objectives with regard to how much support will be needed. That might happen via a series of workshops where the different actors and organizations involved can develop agreements about how to increase support. The IO will then need to do an internal and external scan (through a SWOT analysis) to identify what it is missing and what sort of support will be required. It must then determine who or which groups might be able to provide the type of support required. Stakeholder analysis will allow the IO to systematically assess the different interests and resources of candidate groups. Force-field analysis and/or political mapping can then assist in indicating which groups might offer strengths to a potential coalition not only for supporting health reform, but for mobilizing policy reform initiatives.

Once potential support groups have been identified, then the IO needs to develop options and strategies for attracting them. Techniques such as lobbying and negotiation will certainly be useful for certain groups, while offers of potentially greater participation in determining new policy directives for preventive health will be attractive to others. The IO must then plan and put into action appropriate short-, medium-, and long-term strategies for first attracting and then consolidating increased support for preventive health. Once this is underway, benchmarks and indicators will need to be developed to allow the IO and its managers to monitor progress of its strategies. If it proves that the identified strategies do not result in a larger and more effective constituency, modifications will be required. Should the strategies prove effective, then the IO can begin to move onto the next task with greater assurance that it can and will be implemented.

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